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ABSTRACT

As a teaching aid in a course on personnel management for the small-business man, this booklet provides material for a 45- to 60-minute lecture, which is usually followed by a discussion period. The sections of the booklet are as follows: (1) The Lesson Plan--an outline of the material covered, which may be used as a teaching guide, presented in two columns: the presentation and a step-by-step indication of the procedure; (2) The Presentation--a subject presentation; (3) The Visual Aids--photographic copies of the set of visual aids that are available for this topic; (4) The Supply Department--materials that may be reproduced locally for distribution to course participants; (5) Cases in Point--short actual small-business management cases that may be used to augment the presentation and develop discussion, or as the basis for a second session; (6) The Incubator--ideas for stimulating further thought and discussion by the participants. A bibliography is provided, and field offices of the Small Business Administration are listed. (DB)

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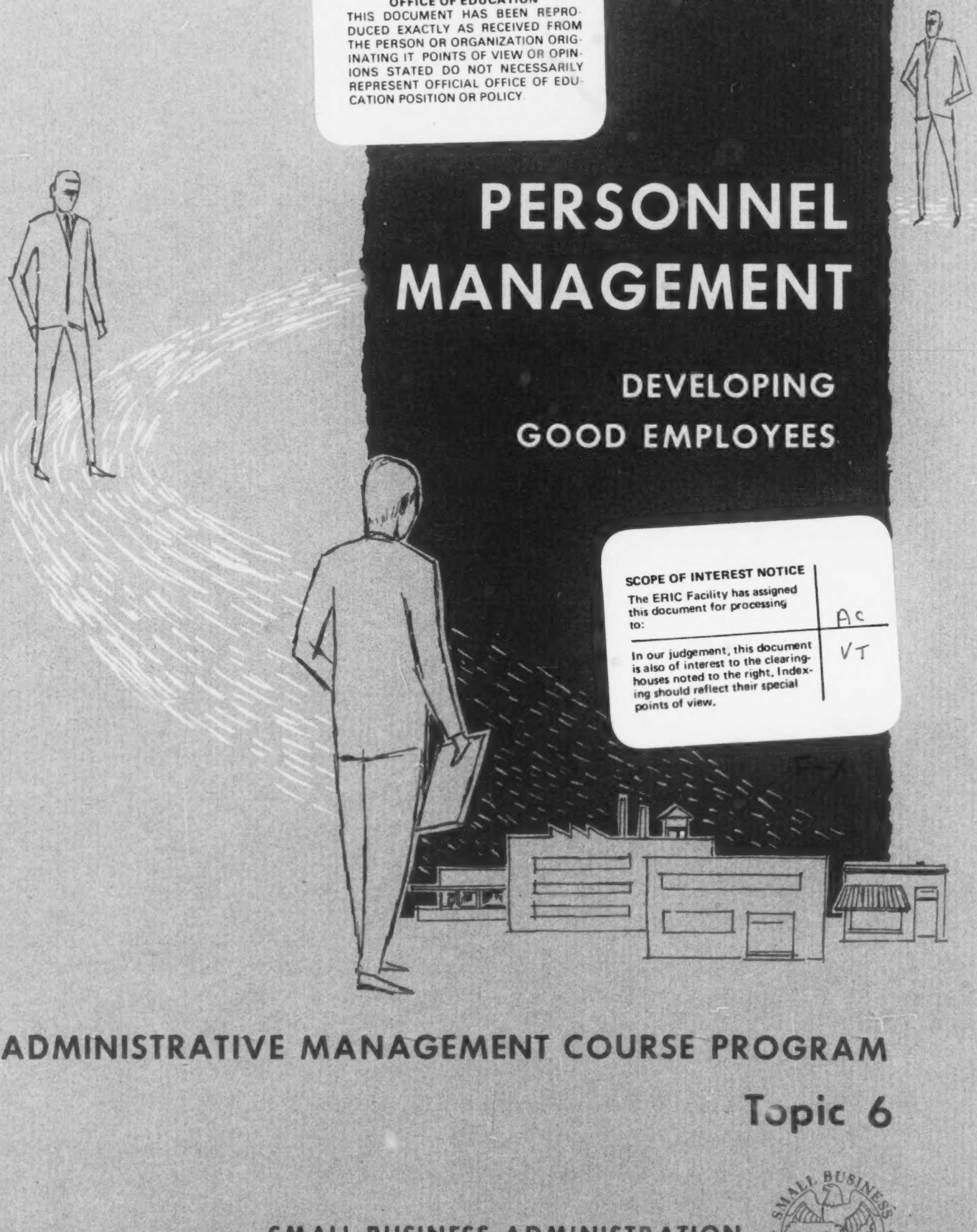
# PERSONNEL MANAGEMENT

## DEVELOPING GOOD EMPLOYEES



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## ADMINISTRATIVE MANAGEMENT COURSE PROGRAM

## Topic 6

SMALL BUSINESS ADMINISTRATION

1953

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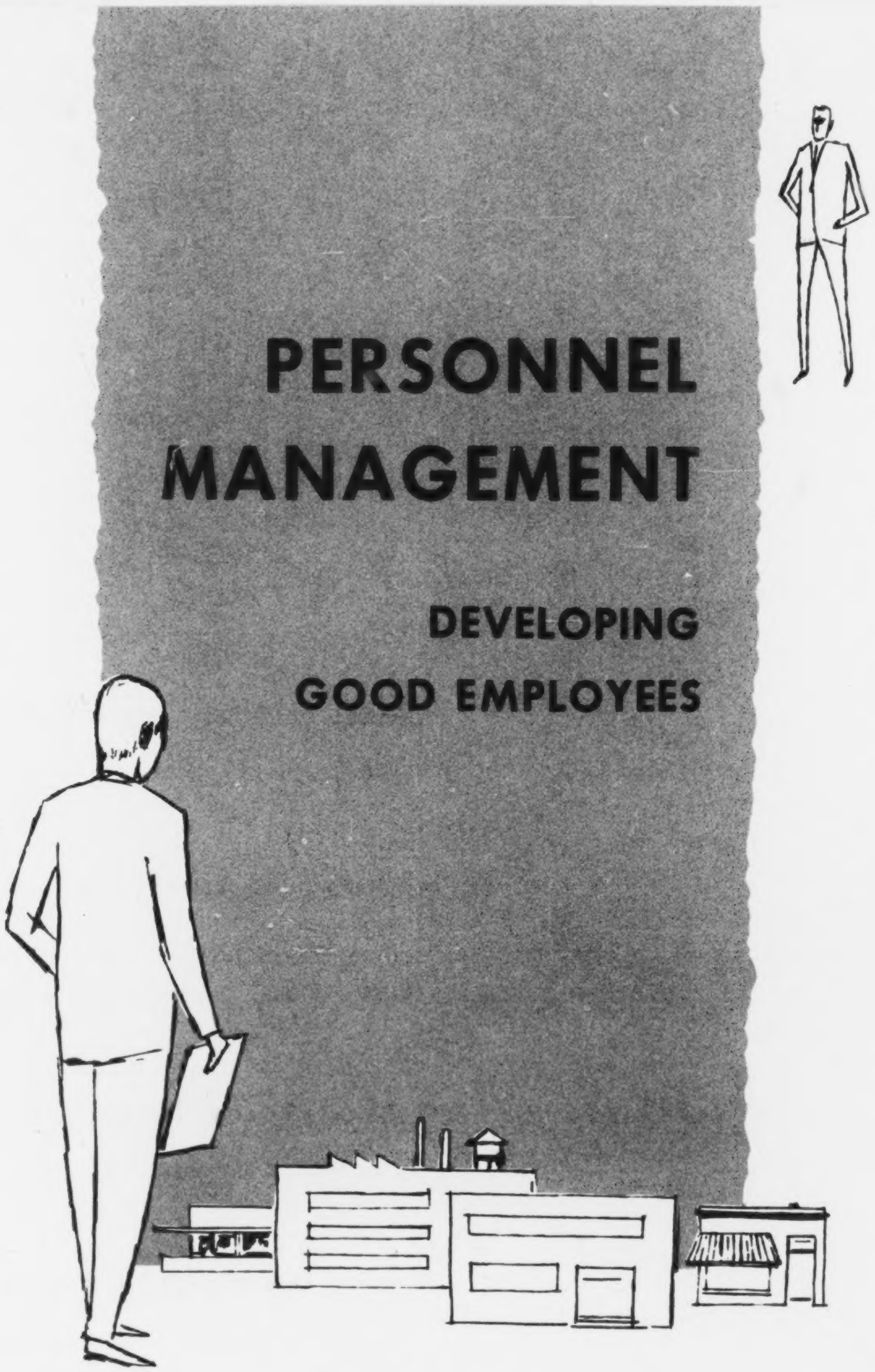

# PERSONNEL MANAGEMENT

## DEVELOPING GOOD EMPLOYEES

**ADMINISTRATIVE MANAGEMENT COURSE PROGRAM**

**Topic ⑥**

Small Business Administration
Washington, D.C. 20416 1965

For sale by the Superintendent of Documents, U.S. Government Printing Office
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## SMALL BUSINESS ADMINISTRATION

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# FOREWORD

The Administrative Management Course Program was developed by the Small Business Administration in cooperation with educational institutions to bring modern management knowledge and techniques to the owners and managers of small businesses. Within 10 years nearly 900 universities, colleges, and local school systems have cosponsored almost 4,000 courses with this Agency. Over 110,000 owners and managers of small businesses have attended these courses. Distributive Education, working through the local school systems, has accounted for about one-third of these totals.

This is an outstanding demonstration of public spirit and service on the part of these hundreds of educational institutions. Yet, there remain many thousands of small-business owners and managers who have never had the opportunity to attend an administrative management course.

A committee on management education, consisting of representatives of the Small Business Administration and the Distributive Education Division of the American Vocational Association, was formed to study ways of meeting the small-business management needs of the small communities and very small businesses in poverty areas. The committee recommended that a series of subject presentations, including lesson plans, lectures, visual aids, case studies, and handout material, be developed to assist in the establishment of administrative management course programs in new locations. Further, it was felt that this material could substantially assist existing management programs, particularly by emphasizing the importance of continuing education for small-business owners and managers, and by assisting the busy instructor with his preparation.

SBA accepted the responsibility for developing a series of subject presentations in the field of administrative management for use by educators and businessmen who teach these management courses. This booklet is number six in the series of seventeen. We believe that these presentations will be particularly useful to Distributive Education in the smaller community where library research facilities are limited and equipment for the production of visual aids is not readily available. It will also assist community planning groups in implementing the educational provisions of the Economic Opportunity Act of 1964.

The booklet was developed by the Courses and Conferences Division. I wish to express appreciation to the Richmond Public Schools System for granting leave of absence to John O. Perreault, who drafted the booklet. The final version was prepared by Lon D. Hefner under the administrative direction of George C. Willman, Jr., Acting Chief of the Division, assisted by John W. Clark. Thomas O. Barnes was editorial assistant. Artwork and visuals were prepared by Michael J. Fontana and Milton H. Weber of the Graphics and Design Branch, Office of Administrative Services.

Eugene P. Foley
Administrator

May 1965

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*A set of the visual aids is available from the nearest SBA regional office. These visuals are 8- by 10-inch colored transparencies for use on overhead projectors.

**Among the materials prepared as "handouts" to participants are several SBA free publications. Current information on the availability of suggested and new SBA publications may be obtained from the nearest SBA office.

## A WORD ABOUT THIS SESSION

This publication, one of a series, is directed toward teaching management skills to the small-business man. When the term "management" is used, it refers to administrative management functions rather than to purely operational features of business. The complete set of subject presentations may be obtained on loan from the nearest Small Business Administration field office (listed on the inside back cover). Single booklets or complete sets may be purchased from the Superintendent of Documents, Washington, D. C., 20402.

This topic, Personnel Management: Developing Good Employees, was prepared to aid in teaching one session of a basic course. It contains sufficient material for a 45- to 60-minute lecture which is usually followed by a discussion period. The management case on page 77 can be used to extend the session or to form the basis for a second session on the topic.

The lecture is designed to be presented to the businessman in nontechnical language. It is one approach to teaching personnel development. Instructors will probably prefer to modify or revise the lecture in order to use their personal background and experience in the subject area. They may also find it preferable to alter the topic to take account of the training or special needs of their class participants.

This topic may be handled by a personnel manager, a training director, or another whose training, experience, and interest qualify him. Guide for Part-Time Instructors, Distributive Education for Adults, a publication of the U. S. Office of Education, may prove useful to local instructors.

The various sections of the publication are separated by divider sheets of different colors. On the following page, these colors are given and the contents of the sections are briefly described.

Gray -- The Lesson Plan. An outline of the material covered which may be used as a teaching guide, or as a framework for developing an individualized presentation. The lesson plan contains two columns: the left-hand column is an outline of the presentation; the right is a step-by-step indication of procedure, including chalk-board suggestions, quotations, discussion points, and a keyed guide to the visual aids supplied.

Rust -- The Presentation. A carefully prepared subject presentation which may be used as written or modified to meet local needs and conditions. It may also be used as a source of information by a person preparing his own lecture.

Buff -- The Visual Aids. Photographic copies of the set of visual aids which are available for this topic. These visuals are 8- by 10-inch colored transparencies prepared for use on overhead projectors. The subject presentation and lesson plan are keyed to the visuals. A set of visuals for each subject in this series may be borrowed from the nearest SBA regional office.

Green -- The Supply Department. Materials which may be reproduced locally for distribution to course participants. Your nearest SBA office can furnish information on current availability of SBA free publications, including titles published subsequent to this volume.

Yellow -- Cases in Point. Short actual small-business management cases which may be used to augment the presentation and to develop discussion, or as the basis for a second session on the same topic.

Blue -- The Incubator. Ideas for stimulating further thought and discussion by the participants. This material may be reproduced locally for distribution to course participants. "Assignments" are designed to aid in retention of the subject matter of the session.

Note: See back cover for index reference to the divider sheets.

8

# THE LESSON PLAN

## *A Keeping on Target*

## Section

Good teaching depends on good planning. A session objective or target must be set. Then the points are selected that will enable one to keep hitting at the heart of that target.

The primary aim of the instructor is to first give the participant the things he MUST KNOW, then the things he SHOULD KNOW. When these two aims have been achieved, the topic can be embellished with the like to know and helpful to know elements.

The following lesson plan is "on target." If it is used as a guide, it will enable the instructor to emphasize the major points while at the same time he stimulates the participants to grasp the subject.

## ***STIMULATE GROUP BY SERVING AN INSTRUCTIONAL COCKTAIL***

### RECIPE

**Use The Three B's (Bubbles)**

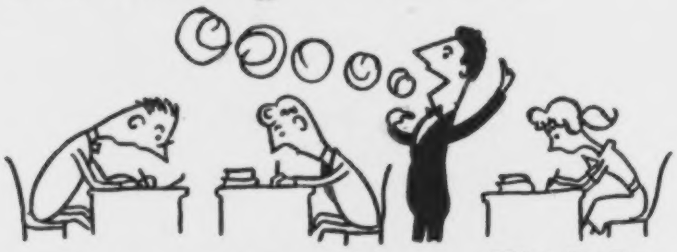
- ○ ***Base*** instruction on problems at learners level.
- ○ ***Blend*** instruction with job experience.
- ○ ***Brighten*** instructions with variety of ***illustrations, investigations*** and group ***participation.***

### FOUR BASIC STEPS OF INSTRUCTION

Instructing is like selling - -

| **Selling** | **Instructing** |
|---|---|
| 1. Approach customer<br>Promptness<br>Put at ease<br>Awaken ***interest*** | 1. Prepare the group<br>Start on schedule<br>Put group at ease<br>***Awaken*** interest |
| 2. Present merchandise or service<br>Select merchandise to fit need<br>Show one item at a time<br>Demonstrate ***selling points*** | 2. Present information<br>Gauge material to needs<br>Present one point at a time<br>***Show, illustrate, question*** |
| 3. Have customer take part<br>Get merchandise into customer's hands<br>Let customer "try on" merchandise<br>Answer questions and meet objections | 3. Have group participate<br>Get group to ***discuss***<br>Have members ***demonstrate*** or ***use*** ideas<br>Answer questions and correct errors |
| 4. Bring sale to close<br>Help customers decide; ask:<br>"which"<br>"for whom"<br>"when"<br>Be sure merchandise fits need<br>Summarize points of care and use<br>Handle mechanics of sale<br>Pave way for return visit | 4. Bring meeting to a close<br>Check on understanding; ask:<br>"why" "how"<br>"when" "what"<br>"where" "who"<br>Be sure group now can use information<br>Summarize "take away" ideas<br>Make a definite conclusion<br>Pave way for next session |

## *How To Deal With "Difficult Customers"*



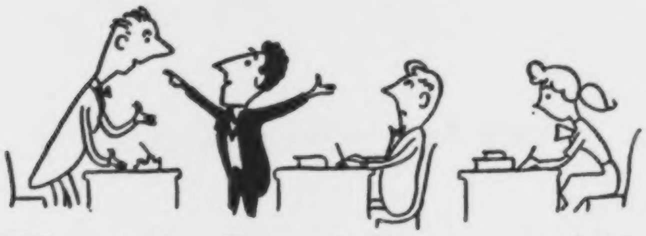
***What To Do***

**THE "MOUTH"**—wants to do all the talking.

Take the play away from him by asking others to comment on his remarks.

Deliberately turn to others and ask for their opinions. Avoid looking at him.

Tactfully ask him to give someone else a chance, or talk to him in private.

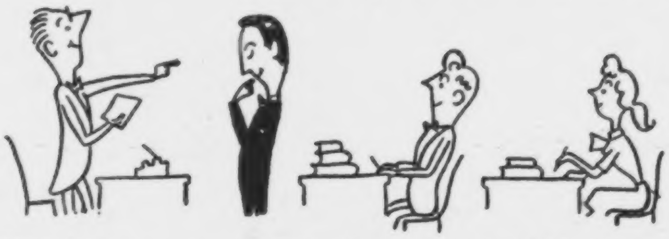


**THE "ARGUER"**—constantly tries to catch you up.

Keep cool. You can never "win" an argument. Always make him back it up. Ask for evidence.

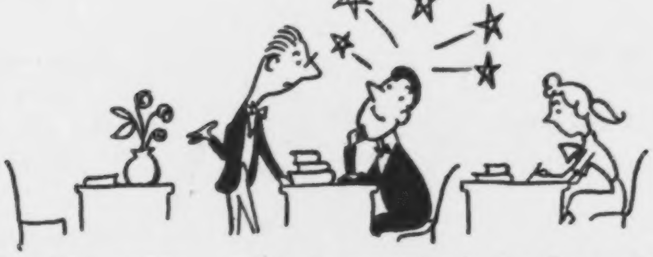
Avoid getting personal.

Refer the question to the group and then to him.



**THE "MOUSE"**—is in every group.

Call him by name and ask him for an opinion. Ask him an easy question he is sure to answer well, then praise him. This person is worthy of your attention.



**THE "SO-WHATER"**—is disinterested.

Point up something he has done as a good example of the point being stressed. Ask direct questions affecting his work.

## LESSON PLAN

TOPIC: PERSONNEL MANAGEMENT: DEVELOPING GOOD EMPLOYEES

OBJECTIVES: To present the key features of up-to-date personnel management, as they apply to small business.
To show the importance of personnel development to the success of a small business.
To indicate practical ways in which selection, training, and motivation of personnel can be improved.

| SESSION CONTENT | TIPS AND APPROACHES |
|---|---|
| I. INTRODUCTION | "Sleeping Lion" story, page 11, or other appropriate introduction. |
| A. Seeing employees' potential | |
| B. Importance of getting and keeping good employees | Distribute Handout No. 6-1; discuss briefly. |
| 1. Need for good employees<br>2. Turnover problem<br>3. Continuing training | |
| II. DEFINING THE JOB | |
| A. Use of job descriptions | Distribute Handout No. 6-2; discuss, using local company in an example. |
| B. Matching personal qualifications to job requirements | Discuss. |
| 1. Job description<br>2. "Man specifications" | |
| C. Manpower planning--personal requirements of a job | |
| 1. Attitudes<br>2. Skills<br>3. Knowledge | Visual No. 1; discuss each quality in some detail. |

| | |
|---|---|
| III. THE HIRING PROCESS | |
| A. Sources of employees | Visual No. 2; discuss particulars of local situation. |
| 1. Within company | |
| 2. Want ads | |
| 3. Employment agencies | |
| 4. Educational institutions | |
| 5. Former employees | |
| B. Screening prospects | |
| 1. Information needed | Write on chalkboard and discuss. |
| a. Experience | |
| b. Education | |
| c. Attitudes | |
| d. Personality | |
| e. Ability | |
| 2. Selection devices | Discuss. |
| a. Application form | |
| b. Interview | Ask for group's own experiences. |
| (1) Suggestions on approach | |
| (2) Checklist of questions | |
| c. References | |
| d. Tests | |
| C. Orientation | Use the "badge and gun" example given on page 20. |
| 1. Four basic rules | Visual No. 3; discuss each rule and amplify with examples. |
| a. Prepare the employee | |
| b. Present the work | |
| c. Try out under supervision | |
| d. Follow up | |

| | |
|---|---|
| 2. Five pointers on preparing for instruction | Visual No. 4; discuss. |
| a. Know the job yourself | |
| b. Prepare a simple job breakdown | |
| c. Set a training timetable | |
| d. Arrange the work station | |
| e. Prepare the learner | |
| 3. The follow-up | Discuss. |
| IV. TRAINING | |
| A. Planning the training program | |
| 1. Bases of training program | On chalkboard, write formula sentence "What should be known minus what is known equals what must be learned." |
| a. Jobs workers are to be trained for | |
| b. Skills needed to do these jobs | |
| c. Measures of employees' present skills and knowledge | |
| B. Types of training programs | List on chalkboard; discuss. |
| 1. On-the-job | |
| 2. Apprenticeship | |
| 3. Job rotation | |
| 4. Counseling | |
| a. Counseling objectives | Visual No. 5 |
| (1) Give instruction | |
| (2) Get information | |
| (3) Gain cooperation | |
| b. Eight pointers on counseling | Distribute Handout No. 6-3; discuss with group. |

| | |
|---|---|
| (1) Be interested in employees' view | |
| (2) Choose convenient time and place | |
| (3) Have specific object for interview | |
| (4) For cooperation, try "we" instead of "I" approach | |
| (5) Listen without interrupting | |
| (6) Use specific questions | |
| (7) Finish high | |
| (8) Thank employee for cooperation | |
| 5. Lectures and conferences | Discuss best ways to conduct group sessions; distribute Handout No. 6-4. |
| 6. Sources of outside training | Visual No. 6; name any additional sources available in local community. |
| a. Distributive education | |
| b. Trade schools | |
| c. University courses | |
| d. Extension courses | |
| e. Business supplier programs | |
| f. Correspondence courses | |
| g. Training films | |
| C. Training--a continuous process | Discuss. |
| 1. Need for continuous employer effort | |
| 2. Employee benefits | |
| 3. Employer benefits | |
| 4. Retraining and upgrading | |
| V. EVALUATING PERSONNEL | |
| A. Need for periodic evaluation | |

| | |
|---|---|
| B. Employee rating scales | Mention the various kinds of scales. |
| 1. Factors to be measured<br>a. Skill<br>b. Effort<br>c. Responsibility<br>d. Attitude<br>e. Others (depending on job) | Write factors on chalkboard. Distribute Handout No. 6-5. Get group members to discuss factors they think should be measured. |
| 2. Coverage of job essentials<br>3. Measure of improved performance<br>4. Frequency of ratings | |
| C. Counseling and follow-up | Discuss briefly. |
| VI. DISCIPLINE | |
| A. Leadership | Ask group to define leadership; discuss. Use "sergeant" illustration given on page 37. |
| B. Motivation and morale | Discuss factors affecting morale. |
| C. Correcting | Visual No. 7; discuss. |
| 1. Criticize in private<br>2. Discuss problem, not person<br>3. Share blame<br>4. Listen<br>5. Tell "why" as well as "how"<br>6. Find better way<br>7. Finish high | |
| VII. PAYING EMPLOYEES | |
| A. Regulating wages | Visual No. 8 |
| 1. Wage criteria<br>a. Incentive<br>b. Control<br>c. Simplicity<br>d. Flexibility | |

| | |
|---|---|
| 2. Keyed to job classifications, employee ratings | |
| B. Systems of pay | Point out merits and limitations of each system. |
| 1. Straight salary (time payment)<br>2. Straight commission, or piece rates<br>3. Bonus plans | |
| C. Fringe benefits | Visual No. 9. Get group members to discuss personal and community attitudes toward fringe benefits. |
| 1. Hospital and surgical coverage<br>2. Life insurance and pension plans<br>3. Sick leave | |
| 4. Holidays and vacations | List on chalkboard the holidays observed in local community. |
| VIII. EMPLOYEE RELATIONS | |
| A. Working conditions | Discuss. |
| 1. Ventilation<br>2. Heating and cooling<br>3. Lighting<br>4. Sanitation and safety facilities | |
| B. Employee services | On chalkboard, list pointers given on page 42. |
| 1. Educational assistance<br>2. Suggestions and awards system<br>3. Recreational activities<br>4. Credit assistance | |
| C. Communications | Visual No. 10; tell the "two stubborn mules" story, page 43. |
| 1. Two-way communications fundamental | |

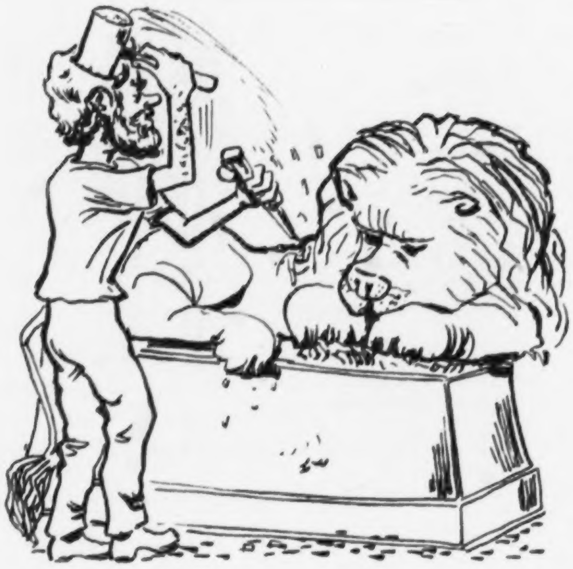
| | |
|---|---|
| 2. What employees want to know | |
| 3. Dangers of withholding information | |
| 4. Effective means of communications | Ask group members to discuss, drawing on their own experience. |
| D. Grievances | |
| 1. Inevitability | |
| 2. Procedure for handling | |
| IX. TURNOVER | |
| A. Costs | Discuss. |
| B. Causes of turnover | Visual No. 11. |
| 1. Selection | |
| 2. Placement | |
| 3. Orientation | |
| 4. Wages | |
| 5. Working conditions | |
| 6. Supervision | |
| 7. Training | |
| C. Dismissals | |
| 1. Necessity | |
| 2. Procedures | Discuss suggestions on tactics given on page 47. |
| 3. Manager's self-examination | |
| X. DEVELOPING MIDDLE MANAGEMENT | |
| A. Importance in small business | |
| 1. Getting an assistant | Visual No. 12 |
| 2. Need for planning ahead | Discuss local situation. |

| | |
|---|---|
| B. Delegation of authority and responsibility to an assistant | |
| 1. Give the assistant the facts of the business<br>2. Get other employees' cooperation<br>3. Share business knowledge and experience with your assistant<br>4. Add to his responsibility gradually<br>5. Don't over-supervise your new man | List pointers on chalkboard; discuss. |
| C. Other important factors<br>1. Control<br>2. Errors<br>3. Training<br>4. Holding | |
| XI. CONCLUSION | Hand out Focal Points No. 6. |

# PERSONNEL MANAGEMENT: DEVELOPING GOOD EMPLOYEES

## INTRODUCTION

The story is told of a sculptor who spent his days chipping away at a huge block of marble. He was watched daily by a small boy who sat quietly, never disturbing him with comments or questions. Yet all the while, the boy's eyes reflected growing curiosity and wonder. Finally, as the figure of a sleeping lion emerged from the artist's deft strokes, curiosity and amazement exploded in the question, "But how did you know that lion was in there?"

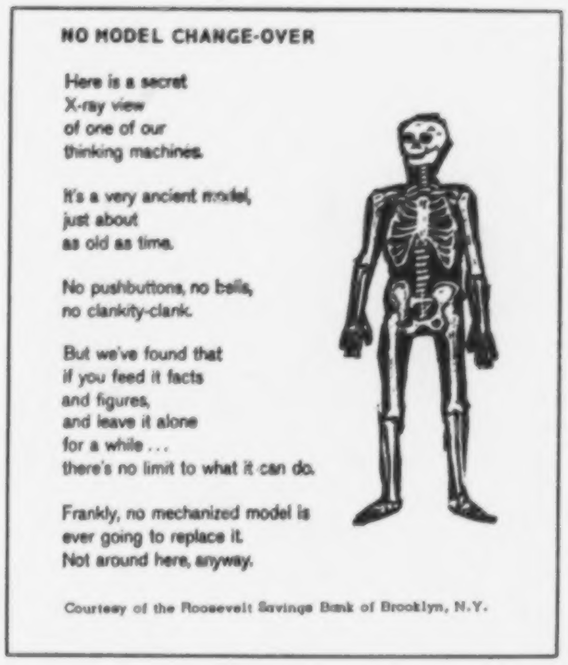


## EMPLOYEES' HIDDEN POTENTIAL

Like an artist who sees a sleeping lion in a block of marble, those who direct the work of others must be able to see the hidden potential in each employee. Like all other functions of administrative management, the managing of personnel requires insight, skill, and patience. These are the ingredients of "creative management."

Businessmen frequently complain that they have poor personnel to work with. "Give us better human resources," they say, "and we'll show you." However, our oil producers don't say, "Give us petroleum that is already refined"; and our steel makers don't demand presmelted ore. Because they expect to take crude or unfinished physical resources and refine them, they develop the tools and methods of refining to a fine art. Much too often, however, the refining of human resources is left to chance.

The greatest asset of your business is not its buildings or equipment, its inventory or accounts receivable. It is your employees. Hiring the right person for the right job will pay you good dividends, not only in dollars and cents but also in the development of a stable and loyal group of employees.



**NO MODEL CHANGE-OVER**

Here is a secret
X-ray view
of one of our
thinking machines.

It's a very ancient model,
just about
as old as time.

No pushbuttons, no bells,
no clankity-clank.

But we've found that
if you feed it facts
and figures,
and leave it alone
for a while . . .
there's no limit to what it can do.

Frankly, no mechanized model is
ever going to replace it.
Not around here, anyway.

Courtesy of the Roosevelt Savings Bank of Brooklyn, N.Y.

Any business, particularly a small one, must have a staff of good employees. Without a crew of diligent workers, few firms could continue to operate. Unfortunately, one of the severest problems among small businessmen today is the lack of able, trained employees. Thousands of people enter the labor market each month, but rapid turnover causes serious problems for the small businessman. A business or a career is too important to treat like a game of roulette; yet the impression often given is that of being involved in such a game of chance.

In this presentation, we will review some of the skills which you, as a manager, can use to tap hidden human resources. Perhaps the best method is to follow a chronological order, starting with your own evaluation of your personnel needs.

## DEFINING THE JOB

Assume, for the moment, that you are just starting to organize your firm. Previous experience in business tells you that you need a certain number of people for the work that must be done. Some jobs are the same; some are similar but have variations in duties; and others are entirely unalike. It is important to get clear in your mind the exact number and kind of jobs that you need to fill. Setting down your requirements on paper will help you to sort out the expendable factors from the vital ones, the "wished for" from the "must have." And formalizing your manpower needs in words will help you in working out the job descriptions for the various employees you need.

## Job Descriptions

Job descriptions serve more than one purpose. The obvious one, of course, is to outline the important functions in a job. Then in hiring someone to fill an opening, you have a measure against which to match an applicant's skills, education, and experience. Job descriptions also help you to clarify your own thinking about the work needed to be done. And once written, they are a guide that can be followed and an outline of the standards necessary for a job.

Here is a simple job description for an office and credit manager which has a place for all the necessary information for a particular job. Perhaps you will find it useful in preparing one to fit your own needs. (It may also be used as a handout to course participants. See Supply Department Section.)

* * * * * *

### Job Summary

Responsible for all office and credit functions of the store. Has control of store's assets and expenditures. Helps manager administer store's policies and methods. Exercises mature judgement and initiative in carrying out duties.

### Duties

1. Inspects sales tickets for accuracy and completeness of price, stock classifications, and delivery information. (Daily)

2. Prepares bank deposit, listing checks and cash, and takes deposit to bank. (Daily)

3. Keeps sales and expenses record sheets, posting sales and expenses, and accumulating them for the month. (Daily)

4. Processes credit applications: analyzes financial status and paying record of customers; checks references and credit bureau to determine credit responsibility. (Daily)

5. Sends collection notices to past-due accounts, using mails, telephone calls, and personal visits, if necessary, to collect. (Daily)

6. Sells merchandise during rush hours of the store. (Daily)

7. Checks invoices of outside purchases to verify receipt, quantity, price, etc. Gets store manager's approval. (Weekly)

8. Does all bookkeeping and prepares financial and profit and loss statements of store. (Monthly)

| Duties | Approx. time spent on each duty (percent) |
|---|---|
| Bookkeeping . . . . . . . . . . . . . . . | 40 |
| Credit and collection . . . . . . . . . | 20 |
| Selling on retail floor . . . . . . . . . | 20 |
| Inventories and stock control . . . . . | 10 |
| Miscellaneous functions . . . . . . . . | 10 |

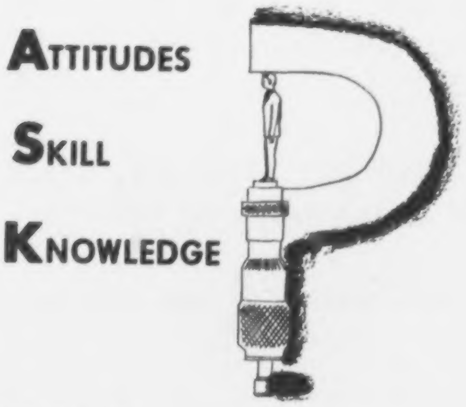
* * * * * *

Remember that you are more likely to get the best performance from employees when they know exactly what they are expected to do. Therefore, take pains to be specific when you prepare any job description form.

## Man Specifications

Remember, job descriptions and personal qualifications are two different breeds of cat. A job description sets forth duties; personal qualifications are the sum of an individual's own talents and experience. Trying to get a perfect match between the two is an exercise in futility. What you will have to do is translate a job description into "man specifications" or qualifications for a job.

## Manpower Planning



Visual No. 6-1

For every job you want to fill, you would like to have a person as proficient as an astronaut, as intelligent as a quiz kid, and as diplomatic as an ambassador. You know that isn't realistic. But the natural tendency is to look for such a person and to be disappointed when he cannot be found.

The starting point is to look carefully at the job and ASK yourself these very important questions about it:

Attitudes--What sort of person do you need for the job? Is cooperation the key? Outward-going personality? Attention to detail?

(Whatever job you are trying to fill, list the required, and only the required, attitudes carefully.)

Skills--What specific duties and functions must the prospective employee perform? What skills does he need? Should he know how to run certain special equipment? Will he need to know the techniques of retail selling?

(You must carefully spell out the skills the job needs and decide beforehand whether the employee must have them before being employed or can be taught them on the job. Don't forget, the tasks you give an employee should be within reasonable range of his abilities.)

Knowledge--What level of information, knowledge, or comprehension does the job require? Must the person have a high school or college education? An understanding of double-entry bookkeeping or stock control?

(Filling a stockboy's job with an overtrained person is a waste of talent and money, as well as a likely source of personal frustration. And a handyman in a position requiring college-trained skills is a liability to your business and a source of future expense when you have to replace him with someone more capable. Match your training and educational requirements to the job.)

Of these qualities--attitudes, skills, and knowledge--attitudes are the most difficult to teach. Skills and knowledge required for many jobs may be minimal, but attitudes required for getting along with coworkers and for serving customers are all-important.

## THE HIRING PROCESS

Hiring a new employee is as important to you, the employer, as it is to the person you hire. It can be the beginning of a mutually rewarding relationship or of a long sequence of mistakes.

Today, many of the firms that experience high labor turnover and low sales are those whose hiring, training, and supervising policies are haphazard and shortsighted. Employee turnover doesn't begin with dissatisfaction in the job; it begins with inadequate hiring procedures.

Two of the major influences on high employee turnover are the recruiting and selection procedures used. The way you advertise a position, handle applications, conduct interviews, make your selection, and introduce a new worker to his job--all of these are elements in the success of your efforts to cut down on employee turnover.

## Sources of Employees

In past years, it was customary to use the most thorough recruiting methods only for higher paying positions. Nowadays, however, many companies recruit all of their employees in much the same way they would set about looking for a general manager.

The mechanics of recruiting are fairly simple. After you have determined the kind of person you want to fill a particular job, you will have to know where to find him. Every situation brings its own problems, but there are many good sources available to almost any businessman. Some will be better than others for certain kinds of jobs; yet try to keep all of them in mind so as not to overlook any possibilities.

A very important source of applicants is your own business. Promotion from within works well in many instances, especially in jobs above the rank-and-file level. Many times, it also improves employee motivation and morale.

People recommended by your own employees are another good source. Sometimes, you will find an excellent prospect who heard about the opening from one of your own workers. Decide beforehand, however, as a matter of policy, whether you really want to hire close friends or relatives of employees.

**SOURCES OF EMPLOYEES**

- WITHIN COMPANY
- WANT ADS
- EMPLOYMENT AGENCIES
- EDUCATIONAL INSTITUTIONS
- FORMER EMPLOYEES

Visual No. 6-2

One of the most used sources for applicants is the advertisement. If you decide to advertise, don't fail to consider other media in addition to the local newspaper. School papers, newspapers in other towns, and trade journals can often be used successfully. If you place a "blind" advertisement (one in which the name of your firm is not given), be sure to tell your own employees first--so as to avoid embarrassment for both you and them.

Private employment agencies and government employment services often can help you, as can placement services of colleges and universities, high schools, trade schools, and correspondence schools. In some instances, labor unions, trade associations, and unsolicited applications will turn up the person you need. And don't forget former employees. They are particularly useful as temporary help during a busy season. In the case of women workers, a changed family situation may make them available for work again.

## Screening Prospects

The information you will want to know before hiring anyone is as varied as the sources of your prospects. An applicant's previous experience is very important. No airline would hire a ground crewman to pilot one of its jets; no short-order diner should hire a blue-ribbon chef to cook its hamburgers.

In many jobs, particularly those which are scientific or technical, a certain amount of formal education is considered necessary. An applicant who has taken only elementary school arithmetic will probably not be able to keep a full set of books for a men's clothing store. A TV repairman must know more about electric appliances than how to unplug them. This is not to say, of course, that no self-taught applicant would be able to fill your needs. Some unschooled genius with more than enough talent might appear; yet in today's increasingly complex world, the chances this will happen grow slimmer each day.

A prospect's attitudes, personality, and ability are other vital factors--and ones you may have difficulty in judging. The best procedure, after you have learned whatever you can from other sources, is to trust your own reasoned judgment.

### Selection Devices

There are several handy devices to help you evaluate your applicants and choose from among them. The application form is one of the most useful. It gives you a written record, in his own words, of an applicant's qualifications. The form you use need not be a fancily lithographed sheet; it might be only a small card with the answers to questions you consider most important. Size doesn't matter; what you want is a written record to use in comparing one applicant with others.

The most common evaluation device for small business is the interview. In addition to facts, a successful interview can also tell you something of the applicant's personality and character traits. To evaluate these less tangible traits, you will have to be skillful, observant, and objective. So, for best results, plan ahead. Perhaps you will want a checklist of questions to ask each prospect. Then you won't omit any important information, and you'll be able to give consistent evaluation to all your applicants.

Tips on Interviewing -- Learning what you need to know usually depends on how skillfully you conduct the interview. It can be a period of shadowboxing or a useful session of realistic appraisal. First of all, put your applicant at ease. A jobhunter is often tense, and will relax quicker in an informal private discussion. You are not likely to succeed if you interview him before others.

After the preliminaries, move on to the actual interview, but be careful not to monopolize the conversation by doing all the talking. Describe your business in general and the job in particular; encourage the applicant to talk by asking pertinent questions; and listen intelligently to his answers. You will want to ask questions about experience, job record, salary, supervisors, marital status, etc. Even brief answers to these will probably reveal vital basic attitudes.

It is important that you know each job your applicant has held. Find out first what his duties were, and then determine the kind of people he worked with in each situation.

The person who feels he has always worked for poor supervisors and unfair managers will probably find you to be the same. The employee who has found interesting people he has enjoyed working with in his previous jobs will probably find them in your company too. The interview is usually the best way to find out his real attitudes toward supervision, his associates, and the whole idea of cooperation.

Interviews can be as short as 15 minutes, but they should not go on much beyond an hour for most jobs. The length of the interview will depend on the type of job you are trying to fill. But remember, if you expect to keep an employee as a long-term member of your firm, you will want to interview him as carefully as you can.

References--For any job you are trying to fill, you will want to check the references of your applicants. Check them, not to find out if Charlie is a good guy, but to see if the information he gave you in his application is correct. Here, indeed, is a situation where a few minutes of present precaution may save you hours of future grief.

The information you get should, of course, be considered with judgment. Don't accept either severe criticism or bountiful praise blindly; always evaluate the person from whom it comes. And notice what a person does not say in addition to what he does.

Checking by phone has several advantages. It is quicker than using a letter. It sometimes turns up facts or judgements that might not be set down in a letter. And it may lead you to other references whose opinions will help you make up your own mind.

Tests--Some companies use intelligence and personality tests as screening devices. Many different ones are available. Among the most widely used are the Otis Employment Test, to determine general mental ability, and the Kuder Preference Record, which indicates the applicant's major areas of interest. For some jobs, a physical examination might be necessary.

If you do use tests, take heed of these two warnings: (1) make sure that the test you use measures what you really want to measure; (2) don't use tests as your only selecting device. That's not what they are meant for; and you will be doing yourself and the applicant a disservice if you depend too blindly on them.

## Orientation

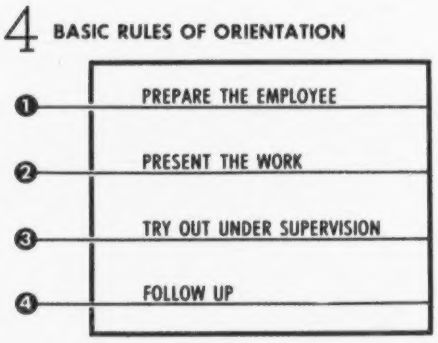
"Here's your badge and your gun. Let's see you keep the peace in this town." Again and again, a scene like this appears in a television Western. You may also have seen some like it in your own work experience: "You have waited on people before? O.K., here is your station."

Such an approach is not apt to develop a faithful, loyal, or skilled employee. As in the horse opera, you can expect him to be shot down tomorrow--by a very belligerent customer or by the explosion of a problem he doesn't know how to deal with. Give your new employee, and thus yourself, the benefit of job orientation and follow-up instruction. The quicker he feels competent, the sooner he will become productive.

As a general rule, on his first day, show your new employee around your business, introduce him to the rest of your staff, give him an overall view of your entire operation (in greater depth than when you interviewed him), and explain to him exactly how his own job fits into the total picture. Such small gestures take little effort and will probably save you both time and money in the long run.

## Four Basic Rules of Orientation

A good manager must also try to be a good teacher. The basic rules that follow will help you set up a pattern for effective teaching.



Visual No. 6–3

### Rule 1--Prepare the Employee

Put the new employee at ease as quickly as possible.
Explain the job and find out what he already knows about it.
Stimulate his interest in learning the job.

### Rule 2--Present the Operation

Tell . . . show . . . illustrate--one step at a time.
Stress each key point in the orientation process.
Instruct clearly . . . completely . . . and patiently--but no more than the new employee can master at a given time.

### Rule 3--Try Out Under Supervision

Have the new employee go through his work routine.
Correct any errors.
Have him explain the key points to you as he goes through the work routine again.
Make sure he understands the why and how of his work.
Continue until you know he knows.

### Rule 4--Follow Up Your Orientation

Put him on his own.
Tell him to whom he can go for help.
Check back frequently, in a friendly fashion.
Encourage questions.
Taper off extra coaching and special follow-up.

### Pointers on Preparing for Instruction

Paralleling the Four Basic Rules of Orientation are the following pointers on your own preparation and planning for instruction. Too often, the job of initial training breaks down because the planning is poorly done.

5 POINTERS ON PLANNING ORIENTATION

- KNOW THE JOB YOURSELF
- PREPARE A SIMPLE JOB BREAKDOWN
- SET A TRAINING TIMETABLE
- ARRANGE THE WORK STATION
- PREPARE THE LEARNER

Visual No. 6–4

**Know the Job Yourself.** Before a new employee begins, decide the quality of work you expect him to do, the quantity of work necessary to get the job done, and the methods you expect him to use to do it. A job description will help you here.

**Prepare a Simple Job Breakdown.** Be able to present the job in a logical step-by-step order. Stress the why as well as how of any task the new employee will have.

**Set a Training Timetable or Schedule.** Key your training to the individual's need, and schedule it so that it progresses in logical sequence.

**Arrange the Work Station.** Prepare yourself, your new employee, and the place where you will be doing his training. Tools, supplies, equipment are all a part of readiness. Preparedness is the prime factor in good instruction.

**Prepare the Learner.** Put him at ease. Give him confidence. He wants to learn. Show him by your every word and act that you want to help him learn.

## Follow Through With the Follow-Up

Training and supervision are interlocking parts of the same effort. They must go hand in hand and become an established part of your routine if you are going to be an effective leader. There is an unfortunate tendency to give a new employee a good introduction to his job and leave him to shift for himself. Then when he makes mistakes or shows a lack of initiative, he is criticized. Conducting an informal routine follow-up with every member of your team will go a long way toward eliminating this danger.

Routine follow-ups are usually handled best in an informal way in an on-the-job situation. Try to determine how well your new employee is getting along; learn what his problems are; and help him to improve his work. Handling the follow-up in a constructive manner will benefit both of you.

The following suggestions are a guide:

Keep in mind the three objectives of any follow-up:

To get information,
To give information when it is needed,
To build understanding and job satisfaction.

Plan each follow-up, even if it is routine:

Have a specific objective,
Have your new employee show you, as well as tell you, his difficulties in the new job.
Be familiar with the individual background and job situation.

Follow cues:

Be a listener and observer.
Encourage the employee to ask about things he may not understand.
Commend or correct when such action is appropriate.

Follow through:

End your follow-up on an encouraging note.
Make notes on performance that still needs improvement. (Better do this in private.)
Give additional help when needed.
Plan for your next routine follow-up.

Remember, it is important to start out the new employee on the right foot. Proper orientation will help a great deal in getting you a more productive, long-term employee. Here, as in many other business situations, your own interest can result in benefits to others as well as to yourself.

## TRAINING

Although you may spend a lot of time, money, and effort in choosing an employee, your work will be wasted unless you back up that good start with a continuing training program. Employee training can be the single most important factor in your operations. The poor public image that many small businesses have today is in large part a result of the poor training of their employees.

How can employee performance be improved? Some managers think it can't, and so they want to mechanize their operations as much as possible. The evidences of this trend abound on all sides. Yet this is a shortsighted approach. It's true that some employees can learn their jobs easier and faster than others; but with good training, almost anyone's performance can be improved. And no matter how much natural ability an employee may have, he will definitely benefit from a good, solid training program.

### *Types of Training Programs*

Training needs vary, of course, according to particular circumstances. To fit these varying needs, there are many different approaches. Among them may be several that will serve well in your own situation.

Aim for fewer mistakes and better trainees by doing some preplanning. Determine how much progress you could normally expect without training, how much more you hope to achieve with it. Within these boundaries is the scope of your program.

Base your program on three factors: descriptions of the jobs to be done; descriptions of the skills that will be needed to do them; and measurements of what your employees actually know or can do. Remember this formula: What should be known minus what is known equals what must be learned. Comparing your job and man specifications will show what abilities and aptitudes you require. And analyzing your employees' present capabilities will show the amount of training that should be planned for.

## On-the-Job Training

In small businesses, on-the-job training is the kind most commonly used. The first thing to do in setting up a program of such training is to decide exactly what your employees are to be taught; otherwise, you can waste a lot of money, time, and effort. Set down your ideas on paper, at least outlining the major points you want to cover in the training.

Next, decide who is to do the training--yourself or one of your other employees. Doing it yourself, if time permits, will give you an opportunity to get better acquainted with your staff, and a chance to improve your new employees' understanding of your operations, policies, and rules.

The actual process of on-the-job training--which will vary in detail with each situation--is one of show, do, and judge. Show the employee how the job is done, step by step and with repetition until you are certain he understands. Have him then do the job himself, while you stand aside, giving encouragement when needed. Last, evaluate his performance, offering suggestions where necessary, and always remembering that encouragement fosters improvement better than criticism will.

The length of time needed for any training program will vary with the complexity of the job and the previous experience of the employee. It may be a few hours, a few days, or a few weeks. Yet however long it takes, you can be sure that you, as well as the employee, will benefit.

Don't forget, too, that on-the-job training is very useful for developing employees for promotion. Also, at times you may want your whole staff to have some training on a particular subject. For instance, if you note that a certain mistake is being made again and again, then it is time for a refresher.

## Apprenticeship

Formal apprenticeship training--widespread in former years, but not so much so today--is concentrated primarily in technical, crafts, and trades fields. However, apprenticeship training can also be informal. For instance, some firms hire a person for an outside sales job with the understanding that he will first familiarize himself with the support operations of the business. When he has worked for a while in stockroom, clerical, and office jobs, he goes out with a salesman and observes the other's skilled operating technique. Still later, he will go out himself as a salesman under the close direction of one more experienced. Only after the step-by-step process has been successfully finished will he be considered a trained salesman who can operate "on his own."

## Job Rotation

Another method of training which is particularly appropriate for a small business is job rotation. For varying periods of time--a few hours a day, a few days, or several weeks, depending on the nature of the work--employees are moved about for training in jobs that require greater skill or that have greater responsibility or complexity.

For any kind of job rotation training, the best time is the slack periods during the work day. No customer appreciates poor service offered with the apologetic explanation, "This isn't my regular job. I usually count widgets." Slack time is also best for jobs not directly connected with the public; for then, too, regular job routine will be least disrupted.

When your staff is sufficiently trained in various jobs, you stand to gain in at least three ways: You have a more flexible work force. You can more easily fill openings that require some training. And you are able to assure your employees that they are being prepared to move ahead to more responsible positions.

## Counseling

There are many occasions in every working situation when a manager needs to counsel his employees; and he should consider this prospect in planning his continuing training program. For instance, situations such as the following will come about, and they cannot be handled haphazardly or it will appear that they are not being handled at all:

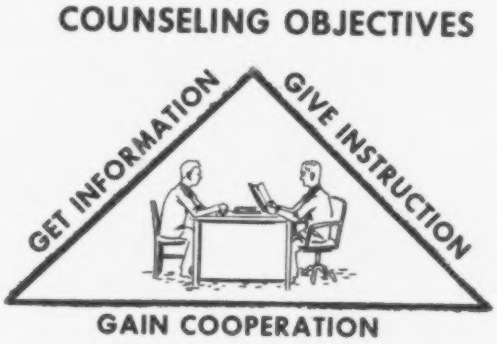
- Changes in company policy
- Changes in work methods
- Changes in work assignments
- New distribution of work
- Eruption of grievances
- Occurrence of personal problems

All of these situations are potential roadblocks to the smooth operation of your business. And each of them is an instance in which you can effectively use the special techniques and benefits of counseling.

Counseling is not a one-way relationship, with the sole benefits flowing down from the manager to the employee. It is instructive for both, so much so that the "teacher" often benefits as much as his "pupils" do.

In counseling your employees, you will have three specific objectives: to give instruction, to get information, and to gain cooperation. These three goals are like the sides of a triangle: Each depends on the others, and each is equally essential.

If you confine your counseling only to situations that need correcting, chances are you'll never gain these three objectives. But if you use counseling as a regular channel of communication and training, you stand a much better chance of running a smooth-functioning business.



Visual No. 6-5

Here are some pointers on counseling that you will find useful. (You may also want to use them as a handout to course participants. See Supply Department Section.)

Eight Pointers on Counseling

1. Show a genuine interest in your employees' views. Exchanging ideas encourages this.

2. Select a time and place convenient to the employee; set a time limit, and stick to it.

3. Have an object for the interview, and don't get sidetracked or go off on a tangent.

4. If you want cooperation, try saying "we" instead of "I".

5. Listen without interrupting--even if you think you have a better answer or idea.

6. Use specific questions of the who? what? when? where? why? how? and how much? type.

7. Finish on a high note. Summarize your conclusions as an aid to future direction.

8. Thank your employee for his courtesy, cooperation, and contribution of ideas, facts, and opinions.

## Lectures and Conferences

Despite the tremendous emphasis in recent years, the group approach to problem solving is not a new idea. The Old Testament tells of generals and their lieutenants gathering on the plains of Jericho to plan strategies of war. We read of kings summoning their wise men and prophets to help them reach decisions. And Socrates developed his ideas and opinions (at the same time testing the knowledge of his students) with his question-and-answer technique.

Group learning through lectures, conferences, films, and the like can play a very big part in your continuing training program. You can use the group approach to supplement the individual training offered by the types already discussed here. Group training is especially useful when you are introducing a new product or process in your operations, when you want to train future supervisors, or when you want to increase the team spirit of your staff.

Each situation may call for a slightly different approach, using a different type of group training, or perhaps, a combination of types. For example, in basic orientation of new employees or in the explanation of an entirely new procedure, you probably will find that a straight lecture or film will get better results than the conference technique.

When a group knows enough about a subject to discuss it well and give some worthwhile opinions or ideas, the conference technique can be used. But in leading a group discussion, don't make the mistake of trying to discuss ideas or problems your employees know little or nothing about.

You can lead group sessions yourself, let one of your key employees be the pivot man, or perhaps ask some outside expert to talk to your staff. For example, you could get a manufacturer's representative to address your sales staff on the products being sold by them, how they are made, how they can be used, etc. Similarly, the representative of a maker of office equipment could give instruction on the care and feeding of his firm's adding machines and calculators.

It's important to remember that a conference gives each employee a chance to score his round, show his colors, and contribute to the thinking of the entire group. Often, too, it will help to satisfy a need for recognition and freedom of expression. Whether your staff works with or against you depends on how you channel their efforts.

Whatever approach to group training that you decide to use, you will find it a help in welding your staff into a cohesive team. It will also help get everyone on the same track, and keep the real purpose of your firm and its service uppermost in your staff's minds.

Pointers on Conducting Group Sessions

1. Ahead of time, let your employees know when, where, and why you are having the session.

2. Select a time and place that suit the convenience of your employees. Many firms have found that using company time is not only convenient, but also creates good will among employees.

3. Start cordially, and on time. A casual approach will help put the group at ease.

4. Tell the group the topic you want to discuss or the objective you want to achieve, and mention any limiting factors or conditions.

5. Outline your tentative approach to the problem--both to give the discussion some point to start from and also to indicate your own attitudes. But don't be stubborn or dictatorial; your aim is to stimulate discussion, not stifle it.

6. Get the discussion going by drawing out some thoughts from the group. State facts as facts and your opinions as opinions. Encourage participation, and try to get reactions from everyone. Use visual aids if they add to your presentation; but skip them if they don't.

7. Keep the discussion on the subject. Avoid personal arguments, and do not monopolize the discussion or let another monopolize it. Summarize frequently, for your own benefit as well as for the others.

8. Work toward a conclusion that the majority will accept.

9. Sum up. State conclusions as concisely as you can, and relate them to other situations, policies, and objectives of your firm.

10. Thank the group members for their cooperation, opinions, and ideas; and invite their continued thinking or observations on the topic.

## Outside Training

You can offer all of the foregoing types of training on your own premises. In some cases, however, you might have training needs you couldn't take care of yourself. But this would not mean that training would not be available. Most communities today offer several different outside sources of training, and one of them might serve your needs.

The widespread programs of distributive education (DE) and adult education offer a great variety of business subjects--from merchandising, customer relations, and advertising to salesmanship, stockkeeping, and display techniques. Many times, employees of several small firms get together in a group to study some special subject. Teachers of DE courses are usually experienced businessmen or educators having special training in a particular subject or field.

**SOURCES OF OUTSIDE TRAINING**

❶ **Distributive Education**
❷ **Trade Schools**
❸ **University Courses**
❹ **Extension Courses**
❺ **Business Supplier Programs**
❻ **Correspondence Courses**
❼ **Training Films**

Visual No. 6–6

Many communities have trade schools, at the high school level or beyond, which offer training in a wide range of subjects. Training is apt to be rather general, so as to qualify graduates for more than one employer. But having basic skills and knowledge can free a new employee to learn more quickly the special needs of a business.

Some small companies sponsor their employees in regular courses at local universities. This costs money, it is true, but in the long run it can be well worth your expense. All sorts of university extension courses are available, however, at little cost. These are usually offered in the evening, at the university. If you have a large enough group, it might be possible to schedule meetings on your premises.

Yet another source of training, and one not always used as much as it could be, is the training programs sponsored by business suppliers. Among the training devices frequently offered are short courses, films, booklets, handout material, and special counseling. Many suppliers are only too happy to send their representatives to talk to your employees--usually at no charge, sometimes for a nominal fee. The wide variety gives you a chance to select those training aids that would be of special benefit to your own business and your particular group of employees.

Correspondence courses are offered by a number of reliable schools, colleges, and universities. The variety of courses is great; one can be instructed in any subject from accounting to zoology. A major benefit is the availability of such courses in a community where no other training facilities are available. For information about accredited correspondence schools, write the National Home Study Council, 1601 18th St., NW., Washington, D.C. 20009.

Hundreds of films are available for loan, rent, or purchase. Both your trade association and your local film distributor will have information on this. The audio-visual departments of most schools, colleges, and universities have catalogues of current training films. And large corporations make their own films, filmstrips, and slides--frequently loaning them without charge to small companies. A catalog of U. S. Government films for sale is available from Duart Film Laboratories, 245 West 55th St., New York, N.Y. 10019. The Office of Education in the Department of Health, Education, and Welfare has prepared a general catalog of U. S. Government films for sale and for rent. To get the catalog (price $3), write Superintendent of Documents, Washington, D.C. 20402, for Bulletin OE 34006-63, "U. S. Government Films for Public Educational Use (1963)."

## Training--A Continuous Process

Competition is too fierce for any businessman to rest on his laurels. Those who slack off in any phase of their business activity are apt to find themselves quickly outdistanced by their competitors. Instead of heading going concerns, they may become caretakers of empty "museums."

The high cost of doing business these days means that you must keep up to date in all your business activities. An important point to remember here: Training, like the other elements in successful management, is a continuous process. Once you have trained yourself or an employee in any skill or technique, you can't sit back and expect this training to take care of your future needs. It won't work. You must constantly keep abreast of the developments in your field. And you must always plan ahead so that you and your employees can cope with future challenges.

This doesn't mean that you need to employ a resident crystal-gazer, but rather that you should take a leaf from the Boy Scouts' handbook and "Be Prepared." One of the best ways to do this is through a well-thought-out program of retraining and upgrading of your own skills and those of your employees.

Every time an employee learns to do another job or improves his skills beyond the demands of his present job, both you and he stand to benefit. An employee trained in more than one kind of task is no longer a Johnny-One-Note; and his versatility gives you needed flexibility, especially in those emergencies that are always occurring. Upgrading pays its way, too. Most any basic skill can be improved upon; and when it is, you have an edge on the competitor who has been satisfied with the status quo.

And what of the employee? Clearly, he benefits. He is better trained, more skilled, more versatile. When you improve his abilities through retraining or upgrading, you show him he is one of the team and indicate you will be considering him for future advancement. This has a good psychological effect (in addition to the obvious material one): it helps condition employees to greater loyalty and stability--both of which are greatly important to the profitable conduct of any business.

### Retraining and Upgrading

Every day, the demand for skilled and experienced workers grows. But the supply is limited. Many times, the only way to get skilled employees is to retrain and upgrade the workers you already have. Thus, you may have to retrain your bookkeeper to be your office manager. To take his place, you may have to upgrade one of your sales staff to bookkeeping. And to replace your salesman, you may have to recruit another employee or hire someone from outside. In any event, all your redirected employees will probably need retraining.

Retraining and upgrading methods are very apt to resemble those used in other forms of training. The important difference is that in this instance your otherwise experienced employees will be undergoing training to handle new and more difficult assignments. Be careful that the training you choose is closely suited to your specific needs.

In many cases, a lot of time will be spent in learning the new work. Don't think of it as excessive, however, because in many instances you must have a trained employee doing a certain job by a certain time or your entire operation will clank to a stop. Just be thankful that your previous training programs have prepared you and your employees for such a situation.

## EVALUATING YOUR PERSONNEL

No matter how much energy, time, and money you put out to develop employees, you need to stand back from time to time and see just where you are, how much you have accomplished, and what remains to be done. An employee rating scale is a handy tool to use when making these evaluations.

### Employee Rating Scales

A typical rating scale for a particular job should contain a list of factors that are important in carrying out that job. Then, for each factor, several degrees of accomplishment, from bad to good, should be noted and described. There should be as many degrees of accomplishment noted as the manager is able to detect and measure.

A good rating scale is like a girl's bathing suit; it covers the essentials, but doesn't waste itself on areas where it isn't needed. For each job, you must choose the factors you consider significant; among different jobs, there will naturally be some variation.

A good rating scale is especially useful when you want to measure improvement, or lack of it, in performance. It also helps you make your evaluations, and it can backstop you if there are any disputes over promotions, transfers, pay increases, and the like. Even with the best intentions, subjective ratings of personnel are apt to be colored by personal feelings. Rating scales help to keep you objective because they can show, with some accuracy, how well an employee is doing the work outlined in his job description.

In most any scale, you will want to include measures of skill (quality of work), effort (quantity of work), responsibility (judgment, perseverance, courtesy), and attitude (enthusiasm, temperament, loyalty). And you can also design a scale that will reveal an employee's unusual abilities, show where more training and counseling are needed, point up promotional possibilities, and justify wage arrangements.

To help you choose the most significant factors, keep in mind the following suggestions:

1. Be specific. For example, "honesty" is a much more definite word than "character."

2. Use terms that have standard definitions; or define your terms carefully.

3. Choose terms common to more than a few people.

4. Select factors that occur frequently in an employee's daily routine, not isolated incidents.

Various systems of rating can be used. For the small businessman doing his own rating, the descriptive form (shown on page 35; can be used as a handout) is probably the most meaningful as well as the least complicated. In it, the factors are deliberately kept few in number, and the phrases describing level of achievement are chosen to apply to more than one job.

Different kinds of businesses would have different factors and achievement requirements. In addition to skill, effort, responsibility, and attitude, each business would want to measure other factors. Choices are up to the person doing the rating--the employer, for the rating process should never be delegated to another employee.

You will find it very useful to keep records of evaluations. Having a previous rating on hand, you can compare a current one with it to highlight improvements or shortcomings.

## EMPLOYEE RATING SCALE

**Name**____________________ **Date**__________

**Dept.**____________________ **Job**__________

**Rated by**____________________________

### INSTRUCTIONS

This Rating Scale is an aid to measuring--with a reasonable degree of accuracy and uniformity--the abilities of one of your employees and his skill in his present job. It will help you to appraise his present performance as compared with previous performance in the same job; and it may indicate promotion possibilities. Because the rating requires your appraisal of the employee's actual performance, snap judgment must be replaced by careful analysis. The following instructions may be helpful.

1. Disregard your general impression and concentrate on a single factor at a time.
2. Read all four specifications for each factor before determining which one most nearly fits the employee.
3. In rating an employee, make your judgment on instances occurring frequently in his daily routine. Don't be swayed by isolated incidents that aren't typical of his work.
4. Don't let personal feelings govern your rating. Make it carefully so that it represents your fair, objective opinion.

| FACTOR | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| a. **Quality of work** | **Poor;** often does unacceptable work; is careless, requires constant supervision. | **Fair;** needs supervision and frequent checking. | **Generally good;** makes only occasional mistakes; requires little supervision. | **Excellent;** work is A-1 most of time; makes very few mistakes; needs supervision only very occasionally. |
| b. **Quantity of work** | **Very slow;** almost never does complete job in time assigned for it. | **Erratic;** sometimes fast and efficient, othertimes slow and unskillful. | **Steady worker;** does job consistently, and occasionally does more. | **Exceptionally fast;** does work quickly and well; does extra work to stay busy. |
| c. **Flexibility** | **Does not adapt readily to new situations;** most of the time, instructions must be repeated frequently. | **Adequate;** requires thorough, complete instruction before taking on new duties or new type of work. | **Quick;** learns new assignment in short time if given some instruction. | **Very adaptable;** fast learner, quickly meeting needs of new situation or assignment. |
| d. **Job knowledge** | **Limited knowledge of job;** shows little desire to improve. | **Passable knowledge of job;** needs frequent instruction and continuing supervision. | **Well informed about job;** rarely needs instruction or assistance. | **Full knowledge of job;** able to proceed alone on almost all work. |
| e. **Responsibility** | **Irresponsible in attendance;** seldom carries out orders without being prodded. | **Some absences;** occasionally needs reminder to do work assigned. | **Attendance record good;** reliable in work. | **Excellent Attendance record;** most reliable in doing work assigned; can always be depended on. |
| f. **Housekeeping and safety** | **Never cleans working area;** is reckless in behavior. | **From time to time, cleans work area;** is ocasionally negligent about safety. | **Keeps work area clean;** is careful about safety. | **Keeps work area spotless;** is unusually careful about safety. |
| g. **Attitude** | **Uncooperative;** often complains; is a disruptive influence among other employees. | **Some cooperation,** but is often indifferent both to fellow workers and to quality of own work. | **Usually cooperative;** attentive to work; gets along well with others. | **Exceptionally cooperative;** very interested in work; always helpful to others and considerate of them. |

Handout No. 6-3

You can also use the rating scale as a morale booster. Most people want to do well and like to know where they stand. By taking the time to go over his rating with an employee, you can let him know your estimation of his work. And you also have an excellent opportunity, if you are tactful and sympathetic, to help him recognize shortcomings and do better. Of course, any below-average rating based on faulty impressions or bluntly presented to an employee will do more harm than good. Of that, you can be sure.

How often you rate your employees is up to you. Some companies rate quarterly, others semiannually or annually. (New employees will have to be rated more often initially--perhaps after 1 month, 3 months, 6 months, and a year; then annually thereafter.) Choose whichever schedule best suits your own needs.

Whichever way you use the rating scale, remember that it is a tool--not a weapon, a crutch, or a cure-all. As with any tool, its most effective use depends on the skill of its operator. And like most other tools, it can do only part of a job, not all of it. For added help in evaluating your employees, don't forget the ways you can use counseling and follow-up.

## Counseling and Follow-Up

This presentation has already discussed counseling and follow-up; it isn't necessary to talk about them at length at this point. It may be helpful, however, to stress a couple of points concerning them:

- In any counseling session dealing with personnel evaluation, walk softly and listen closely; otherwise, you may scare off your game without realizing it.

Most anyone is curious about the opinion his boss has of him, and yet, at the same time, he may be a little apprehensive. Put your employee at ease as quickly as you can. In a quiet place where you won't be interrupted, talk first about his interests before you move on to evaluating his abilities and aptitudes. Leave out any discussion of personality factors unless your employee wants to talk about them. If he does, then listen to him. Genuine human interest is an important element here, and it cannot be faked. If your employee is in the mood for discussion, make the most of the opportunity; it may not occur again for a long time.

- Use your routine follow-up to evaluate your evaluations. And don't be surprised if you want to change some of them.

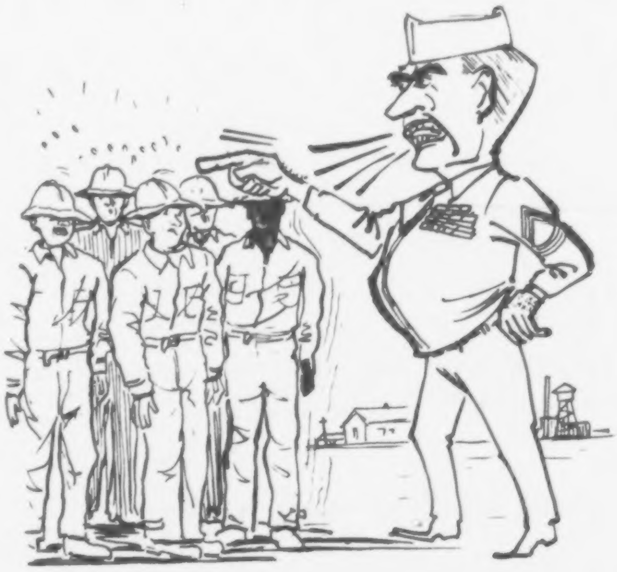
Using your follow-up procedures after you have evaluated an employee's performance gives you the chance to encourage improvement and take note of it when it occurs. The major task of a follow-up is to build an employee's competency (at the same time improving his job satisfaction). This is particularly important after you have given one of your staff a below-average rating. After such an evaluation, an employee will usually try harder to come up to the level you require. Your follow-up gives you the opportunity to discover this, to commend him, to offer further suggestions (if necessary), and to add to your rating scale records this improvement in performance.

## DISCIPLINE

Like it or not, an employer must always be prepared to correct and discipline employees. He must know how to correct. Otherwise, he can easily lose the good will of all his employees and create a great deal more damage than he corrects. Knowing how to approach discipline problems reveals much of an employer's leadership qualities.

### Leadership

All of us have heard of employers who act like tough sergeants with a platoon of draftees. They fling orders right and left and send people scurrying everywhere. Their high "crisis ratio" keeps all workers in a turmoil. Nothing is anticipated, planned for, or trained for. Each situation is met head-on, at top speed, with the expected disastrous results.



Then there are the managers whose leadership is shown by its results. When they go into an area, there is no change in activity. Everything continues to go on smoothly. For them, emergencies and crises are rare. They have a low "crisis ratio."

Most of us fit neither of these extremes. We lead quietly at times, and at others we are apt to do some unnecessary order giving. Yet, remember that an employee may think of unnecessary orders as criticism directed at him. He may feel he is being corrected when there is no need for it.

One manager, call him Jim Ross, keeps a list of all his corrections. It shows at a glance which activities, duties, or responsibilities were slighted; it shows the areas where improvements have been made; and it shows which employees were corrected, how many times, and why. Using it, he is able to keep work running smoothly without stepping on others' toes.

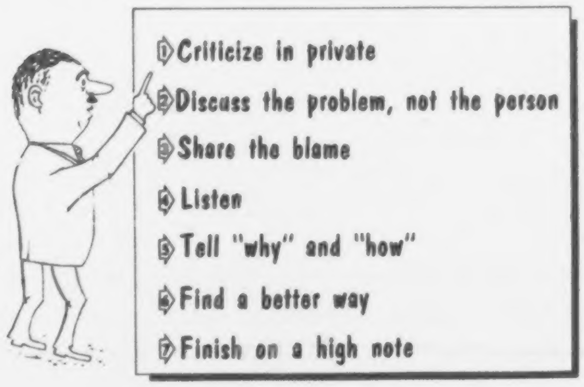
## Motivation and Morale

Good morale is not the sole source of success. Yet when an employee's morale drops, his work and your business are likely to suffer. One way you can help is by motivating him in his work. Pride in a job is a big morale booster, and it can come from many things. Working conditions, employer-employee communications, plans for promotions, expectations for wage increases--all these and many more affect morale. You cannot merely push a button and choose the one factor you want, knowing that its successful use will make everyone glow with good spirits. Every aspect of a situation demands consideration on your part. In addition to your other responsibilities, you are called on to be a Solomon too. However, it really is up to you to set the tone of your business. When you run a happy business, you can count on better work from your staff.

## Correcting

To correct an employee (or anyone, for that matter) without leaving a pile of emotional rubble--anger, resentment, sullenness, bewilderment--is extremely difficult. Make certain before you start that correction is really needed. If your employee knows he has made a mistake and has learned by it, your words may only increase his embarrassment and serve no purpose. Be certain your correction will create more improvement than resentment.

SEVEN POINTERS ON CORRECTING



Visual No. 6–7

If you think correction is definitely called for, the following tips will be helpful:

1. Never criticize or correct employees before others. Correction is a private matter. Find a quiet place where you can sit down and discuss the mistake coolly and objectively.

2. Discuss the problem rather than the person. Be concerned with correcting a mistake because it is a mistake. Don't focus on the person or his personality. To all of us, our person and personality are sacred ground.

3. Share the blame. Accept your part of the responsibility for a mistake. Perhaps you didn't give your employee adequate training or preparation. Or maybe you didn't forewarn him that this type of problem or situation might arise. Your becoming a "sinner" with him helps ease the load and assures him that he is not alone.

4. Listen. Listen quietly to your employee's point of view of what happened. He may see the situation more clearly than you do. Even if he has a distorted view, let him get it off his chest. You need to understand his point of view if you hope to work with him intelligently.

5. Deal with "why" as well as "how." Many supervisors tell employees how they are doing wrong, but not why they should do something another way. Explain your recommendation fully. Make certain that you and the employee are shooting at the same target with the same kind of gun.

6. Find a better way. A correction interview is not a success unless there is agreement on a better way. No one likes to be told flatly that he is doing something wrong. He will dislike it even more if he is left up in the air with no solution to his problem. Through free give-and-take, settle on an approach that you both agree will be better.

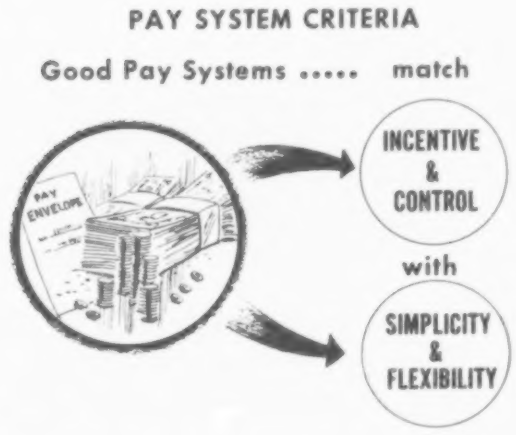
7. Finish high. End on a note of optimism and confidence. Don't let your employee feel you have less confidence in him because the problem arose.

## PAYING YOUR EMPLOYEES

To your employees, their wages are an important part of their jobs. They expect their pay to reflect the skills and energy they put into your business. If you want to attract and keep good workers, take into consideration the rate paid for comparable work by other firms like yours and the fringe benefits they offer.

## Regulating Wages

Your decisions on wages affect good employee relations. Wages should be geared to an employee's contribution to your firm, and they should be consistent within the firm. One way to regularize them is to key them to (a) your job classifications and (b) your periodic ratings of employees. Job classifications enable you to establish a normal salary for each job, and a regular scale for merit increases and increases based on length of service. If you want capable and loyal employees, it is probably less expensive in the long run to pay them average or better than average wages.



Visual No. 6–8

However you decide to determine wages, keep in mind the various government regulations on minimum and overtime rates, workmen's compensation, social security payments, and the like.

## Systems of Pay

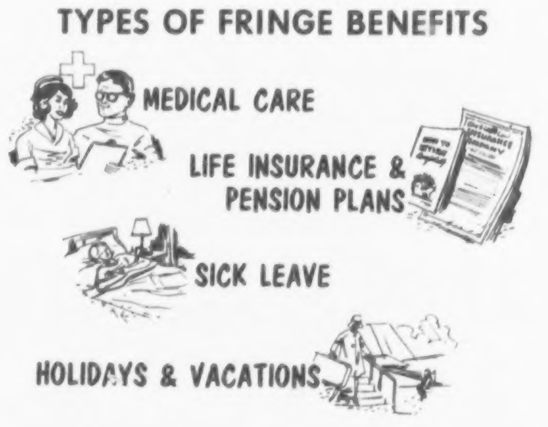
Most small firms use simple wage plans such as straight salary or time payment, straight commission or piece rates, or simple bonus plans (regular salary plus a definite bonus for exceeding a quota agreed upon in advance).

Straight salary plans, the prevailing type in small businesses, have the advantages of being easily understood, simple to administer, and easy to budget. Straight commission plans offer wage incentive; for example, the more a salesman sells on straight commission, the more he earns. At present, combination plans of various kinds are popular. They give you the flexibility and control of salary plans plus the incentive and motivating effects of commission plans. Profit sharing has been used in a few small businesses to help retain key employees. It should not be used as a deferred wage payment plan.

## Fringe Benefits

Today, fringe benefits appear to be on the increase. The dividing line between "compensation" and "fringe benefit" is blurred; yesterday's benefit has become today's compensation. Whatever the name, the expense is part of the total cost of hiring and keeping a staff of good employees.

The majority of businesses today offer basic hospital and surgical benefits, and many have various "extras" in addition to the basics. Life insurance and pension plans are now in use in many areas. In most group plans, both employer and employee contribute, but the trend is toward the employer assuming an increasing share of the cost. Businesses help keep premiums down by joining together to seek a policy; and insurance companies do their bit by pooling investments to spread the risk.



Visual No. 6–9

Of all fringe benefits, those for sick leave, holidays, and vacations are the most widely accepted by employers and employees. You should decide on a sick leave policy. A practice that seems to be growing is an allowance of 1 day a month and an extra week, a bonus, after 1 year's employment.

Many businesses give at least six paid holidays a year: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. Some communities observe additional days, and it would be wise to follow local custom.

Vacation practices vary from company to company. Many firms give 2 weeks, with pay, after a year's service, and an extra week after 5 or 10 years. In setting your own policy, stick to the practices of the community.

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## EMPLOYEE RELATIONS

Good pay and fringe benefits aren't all it takes to make your employees happy; job satisfaction means much more to them. For your own interest, you have a responsibility to provide the best kind of physical surroundings, and to be certain that you always have two-way communications with your staff.

### Working Conditions

The health, comfort, and safety of your employees should be of genuine concern to you, for a good environment can do much to encourage efficiency and good attitudes--in addition to preventing many accidents. See to it that your premises have good ventilation, sufficient heating and cooling, good lighting, and proper sanitation and safety facilities. And don't forget to have on hand a fresh-stocked first-aid kit, the doctor's telephone number, and that of the nearest emergency hospital. All of these are necessities, not luxuries, in your health and safety program.

### Employee Services

In addition to good physical surroundings, you will want to provide certain employee services. The golden rule here is to respond to the wants of your employees, not to what you want yourself. Get the employees in at the planning stage; let them share in the planning, and then in the upkeep by contributing money, time, or skill.

Some of the more widespread services are: educational assistance, suggestion and award systems, recreational activities, and credit assistance. (Educational assistance has already been covered in the discussion of training.)

A suggestion and award system can be a stimulus to your employees and a benefit to you. Here are some pointers to consider if you are thinking of setting one up:

1. Give it your strong support--and let this be known.
2. Explain carefully the kind of ideas you are looking for.
3. Give each suggestion careful consideration.
4. Offer a good reward for adopted suggestions.
5. Publicize your rewards among your employees.

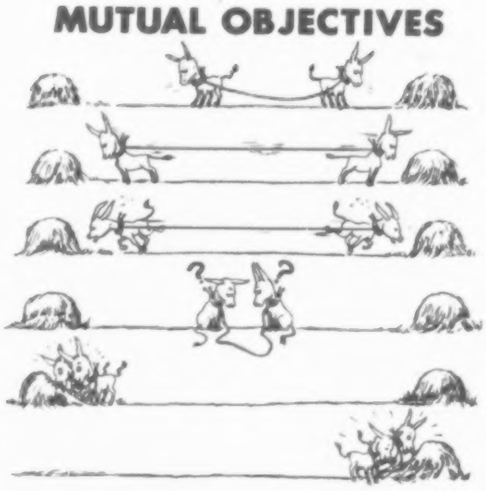
Many businesses sponsor certain recreational activities among their employees such as bowling teams, glee clubs, softball teams, and the like. Here again, if you get into this kind of activity, let your employees decide the type they want.

If your employees have numerous social get-togethers, you may very likely be asked to help out on the costs. If you have only one social event in a year, perhaps a Christmas party, it would be a winning gesture for you to assume all the costs.

To avoid later misunderstanding, have a stated policy on loans and salary advances; then when the time comes that one of your employees needs help, you can make a decision with less personal involvement. Even so, be the kind of boss with whom your employees can feel free to discuss their personal and financial problems. You will often be able to help them see their situation more clearly, or will be able to refer them to someone--lawyer, accountant, family counselor, minister--who can help them.

## Communications

Remember the old story about the two stubborn mules that found themselves tied together with a halter and centered between two piles of hay? Each mule pulled in the opposite direction until both were worn down and half starved. Only then did they discover that by pulling together they could enjoy both stacks of hay.



Visual No. 6–10

Relations between employers and employees are often like this. Each works hard toward personal goals without realizing that mutual effort can often accomplish what individual pulling and straining cannot. Two-way communications between you and your employees are a fundamental antidote in such a situation--making it easier for you to work with them, and for them to work with you.

In addition to basic information, employees want to know the company's policies, its success, and its predicted future. If you don't give them the information, they are apt to get a lot of wrong ideas through rumor and conjecture.

Casual chats help you to know what is on an employee's mind, and they give you the opportunity to pass on information and answer questions in an informal atmosphere. Yet there will be times when you will need more formal ways of giving and getting information--such as planned group meetings and conferences (see pages 28-30 ). Other effective means are bulletin boards, posters, memos, and employee manuals (if your business is large enough).

### Grievances

Regardless of how good your working conditions and communications are, you will still encounter complaints and grievances from your employees. That's human nature, so don't discourage them; rather, get worried when you don't hear any.

If an employee complains, listen patiently and without interrupting. Tell him you will look into the matter, and thank him for bringing it to your attention. Check the facts carefully and then decide what to do about the situation. Once you have made a decision, take prompt action, and let the employee know what you have done. Later on, check back with him to make sure that in his mind the problem has been satisfactorily dealt with.

## TURNOVER

All businesses lose employees and have to replace them. Some quit, some are fired, get sick, get married, retire, are laid off. For whatever reason, they leave a company, and the owner must replace them. Do you know how much labor turnover cost you last year? Few businessmen do. Yet, over the Nation it totals millions of dollars in a year's time. Every loss of an employee takes a substantial bite out of your operating income. Many of the problems of turnover can be solved if they are frankly faced and seriously worked at.

### Cost of Turnover

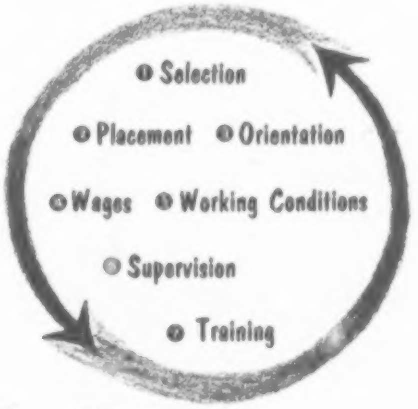
When you lose an employee, you must look for someone to replace him. Meanwhile, you have a job that is not filled, one that must be covered somehow--by stretching thin, working overtime, or limping along. Finally, when you get a new employee, he is apt to be untrained for this particular job. It may take weeks or months to teach him the work. Who will train him, and who will pay for the time spent on his training?

Oftentimes, losing only one employee doesn't seem too serious, but the actual cost in some businesses can range as high as $3,000 or $4,000. Replacing even as few as three people in a year can be a rather expensive operation at these prices.

There is no way of setting a "reasonable" turnover rate for a business; each owner must decide what is too high for his individual company. One way to check on your own situation is to keep monthly records on the number quitting and being discharged, and then to note the trends over a year. Correcting a too-high turnover will take time, and probably will cost a certain amount of money. But you can be repaid several times over in having a group of loyal, steady employees working with you year after year.

## Causes of Turnover

Sometimes the causes for turnover are not immediately apparent; it takes a little digging to find them. Usually, however, they will fall into several broad categories. And if these categories seem familiar, they should, for they have formed the backbone of this discussion on personnel development. All of them are important alone; all of them are important together--in developing good employees, and then keeping them.



7 Causes of Turnover

Visual No. 6-11

1. Selection. Do you hire too quickly? Do you tell your applicants all the details of the work they will actually do? Do you explain your wage scale, and how rates may differ?

2. Placement. Different jobs call for different aptitudes and skills. A misplaced man might be good in the right spot; but in a job for which he is unsuited, he may quit or be fired.

3. Orientation. All good orientation programs seek to make a new employee feel at home, and to tell him what he wants to know about a business. If the job is botched here--either by neglect or by doing it poorly--you can expect turnover.

4. Wages. Do your wages compare well with those in your community? If not, expect dissatisfaction and turnover. Can an employee move up to a better job? If not, he will think of his own job as a dead end.

5. Working Conditions. Many firms, progressive in other ways, have done little to improve their working environment. Employee dissatisfaction with surroundings very often shows itself in turnover.

6. Supervision. Poor supervision is a major cause of poor work quality and people quitting a firm. It isn't always easy to find the soft spots and correct them, but look for unfairness, favoritism, erratic discipline. Any one is a danger signal.

7. Training. A man is apt to need some training on any new job. Even if he has done the work before, your ways are probably a little different. If he hasn't done the work before, then training is imperative. If he doesn't succeed, it could be because the training he had was not as satisfactory as it should have been.

## Dismissals

Up to this point, the emphasis has been on the desirability of cutting down on employee turnover. In some cases, however, you will be compelled to dismiss an employee, for the good of others or for the good of your business.

No one likes to fire an employee; regardless of the circumstances, it is always a rough ordeal. But, sometimes it's necessary: for instance, after making sure that an employee is seriously at fault in a situation that won't improve. Let's take a look at what happens.

First, call in the employee and discuss your dissatisfaction with him. Review his habits or conduct that is causing the trouble. Sound him out to see if there are any ways you can help him to do a better job. Remind him of his strong points and of the regard your other employees have for him. "Helpful but firm" is the key. Give him (and yourself) a set period (of reasonable length) to work for improvement. Be sure he knows it is your stated policy to dismiss employees when their performance or habits do not improve after they have been cautioned.

If all your admonitions and counseling have no effect, and you must fire the employee, then get on with it. Perhaps the following suggestions will make your task easier:

1. Choose the right time and place for the necessary ordeal. Privacy and freedom from interruption are musts. Also, plan to spend enough time so that the employee has ample opportunity to air his feelings and opinions.

2. Discuss only the employee's violation of rules or incompetency in work. Don't ever comment on his personality or character unless they are directly related to his unsuitability.

3. Make the session final; be firm, calm, and reasonable.

4. Permit the employee to let off steam. His reaction may be illogical, but don't argue with him. Express your willingness to accept his view of the job.

5. Have in mind a face-saving approach and announcement for him with his work group. Help him to form an acceptable interpretation of the dismissal.

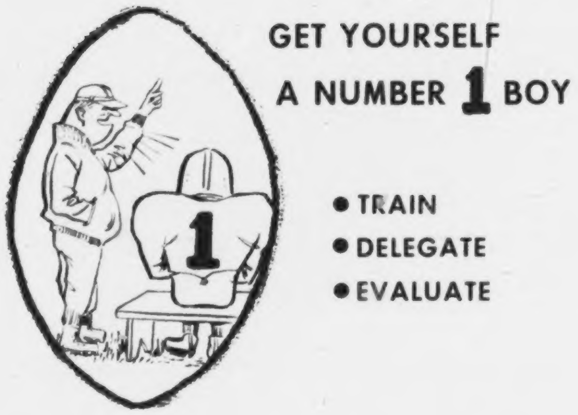
Following the interview, again ask yourself how you might improve your hiring, selection, training, and follow-up procedures so as to avoid needless repetition of such incidents.

## DEVELOPING MIDDLE MANAGEMENT

The failure to bring young people along in business, which actually is failure to plan for the future, is one of the fundamental weaknesses of much small business management. And it is one of the important reasons why many businesses remain small or disappear from the business scene altogether.

Choosing and developing a top assistant will help you in at least three ways: (1) You add hours for your other managerial duties because a good assistant can take part of the workload off your shoulder. And your assistant can take on some of your management tasks while you concentrate on the important job of planning for a better business. (2) A properly trained assistant can step into your shoes in case you have an accident or a severe illness, or if you take that much-needed vacation. (3) A good assistant may also be the means by which a business is continued if the owner dies and his family wants to continue it but are not capable of running it themselves.

## Getting an Assistant



Visual No. 6–12

"Get Yourself a Number-One Boy!" was the precept invariably mentioned by a well-known corporation executive frequently called upon to advise small-business owners.

A few years ago, a survey of a large number of small businesses showed that less than 10 percent of them had any plans for management succession--the development of the number-one boy. Indeed, many of them had given the subject no consideration at all.

If you are an individual proprietor, as are 80 percent of the small-business men in the United States, your business can easily come to a full halt if anything serious happens to you. The relative market values of a going concern and one at a standstill are not difficult to imagine.

## Delegating Authority and Responsibility

To develop an assistant, work closely with him and put his position in the firm on a solid base. The following suggestions may help you handle the situation more easily:

1. Give your new assistant the facts. Project a clear picture of what he will be doing, and offer some suggestions about how he should do it. Outline carefully how much responsibility and authority he will have; and when you give him responsibility, give him an equal amount of authority.

2. Smooth his path. Seek your employees' willingness to cooperate with your assistant, and spell out for them the areas of responsibility you have given him.

3. Share your knowledge. Your assistant will do a better job if you keep him informed of your plans and problems.

4. Add responsibility gradually. Let your man get the feel of his job; then give him more responsibility, in small doses, so that he will continue to develop his capabilities.

5. Hold a loose rein. Constant checking will make your understudy nervous and will slow down his development. It can also lead to his loss of confidence and initiative.

### Other Important Factors

Control is important so that you can blend your assistant's work with the overall activity in your business. Remember, however, that no two people do a job in the same way. As long as your man gets the results you want, why nag about his methods?

Your assistant, junior to you in both age and experience, will make occasional errors. Your task is to help him learn from them. And here, too: "correct in private, praise in public." If you are too severe and lose communication with him as a result, you will have defeated the reason for having an assistant.

Along with discussions and on-the-job practice, you will want to encourage your understudy to improve himself through other available means. Among these are the following:

- Reading trade publications in your line of business, and articles and books on management subjects such as buying, stock control, salesmanship, and the like.

- Personal contact with suppliers' representatives and customers to learn their views and needs.

- Participation in community activities to get organizing experience and to meet other active members of the community.

- Attendance at trade association conferences and conventions to gain a broader view of the field.

- Enrollment in supplier training programs and administrative management courses.

After you've developed a good assistant, you may have difficulty holding him. One of the big dangers is from your competitors who may try to pirate him from you. Now that he is well trained, they may approach him with liberally sweetened offers of salary, fringe benefits, and prestige. Making it truly worthwhile for your understudy to grow with you own firm--in responsibility, security, and salary--is a gambit you can use to counter such an eventuality.

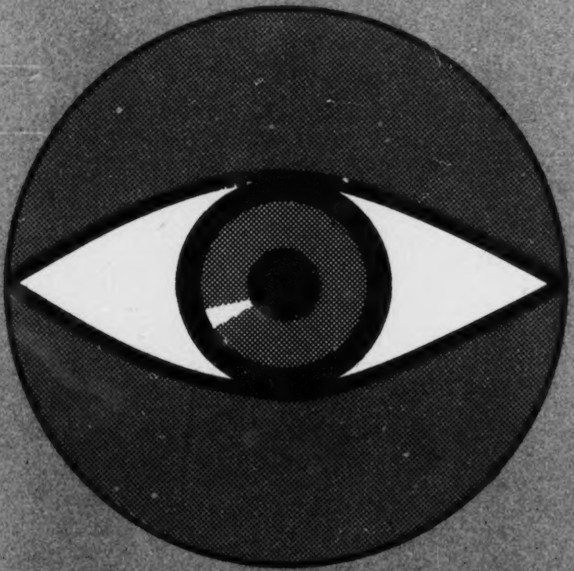
From the start, show your assistant that his job will pay off for him and his family. Let him know, as much as you can, what his prospects are for greater financial gain in the coming years. If you don't plan to sell him part or all of the firm in the future, then make particularly sure that you pay him quite well now in salary and bonus.

## CONCLUSION

As a small-business owner/manager, you must wear several hats. The one labeled "Developer of Personnel" is as important as any two of the rest. Of course, achievement in personnel development doesn't come from wearing a certain hat, reading tea leaves, or being a good sport. Like most other worthwhile achievements, it grows from planning, hard work, and patience.

In this presentation, the principal aspects of personnel development have been discussed. They have also been identified as the causes of employee turnover. When you run a successful program of employee development, you don't automatically cure your turnover problem. But you probably will benefit from a multiplier effect. Chances are, improvement in personnel areas will touch off progress in others.

Keep in mind the seven principal aspects of personnel development: selection, placement, orientation, wages, working conditions, supervision, and training. No single one, by itself, will give you all the answers to your personnel questions; but all of them, used wisely, can help you to wear the special hat labeled "Successful Businessman."



# THE VISUAL AIDS

## *A What to Show* Section

The old Chinese proverb "One See Worth Thousand Say" is certainly borne out by experience in the fields of education and training at all levels.

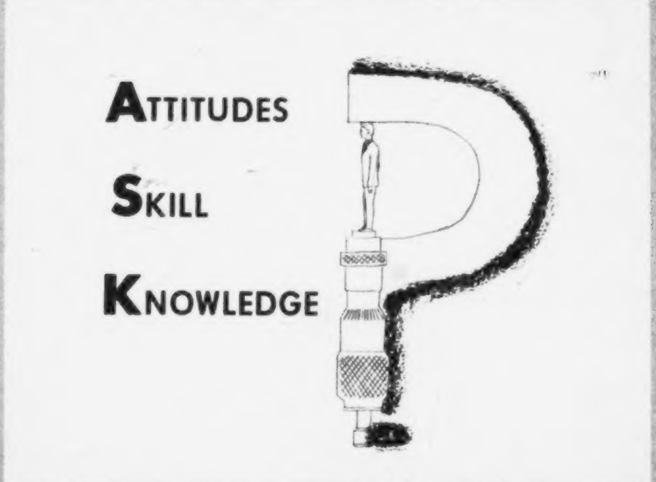
The instructor who helps his participants visualize subject matter and ideas not only holds the group interest -- he also stimulates thoughtful consideration and retention of the topic.

This section contains samples of visuals that are available for this subject. Each has been carefully coded and "keyed" into The Lesson Plan as outlined in this manual.

## USE OF VISUAL AIDS

| **WHAT TO USE** | **WHEN AND HOW TO USE** |
|---|---|
| ***Chalkboard***<br> <br> | Study and plan before a meeting what to put on the board and where to put it. Use it to present sketches, diagrams, outlines, definitions, key words, directions, record of class contributions, and summaries.<br>Suit material to board space.<br>Write plainly and quickly.<br>Keep wording simple.<br>Stand at one side of board while referring to material.<br>Talk to the group, not to the board.<br>Erase material no longer needed. |
| ***Posters, Charts, and Diagrams***<br> | To arouse interest and attract attention; to show relationships and trends; to inspire group.<br>Use device large enough to be seen.<br>Post where everyone can see.<br>Present at right time.<br>Discuss information illustrated. |
| ***Hand-Out Materials***<br> | To present information uniform in character and as a guide to material covered; emphasize key points; arouse interest and discussion; review or summarize discussions; and serve as permanent reference.<br>Select to serve a definite purpose.<br>Introduce at right time.<br>Distribute in manner to convey its importance.<br>Direct members how to use. |
| ***Films and Film Strips***<br> <br> | Present an overall view; introduce a new subject; emphasize specific aspects of a subject; arouse interest; summarize.<br>Select carefully to relate to the discussion and plan presentation. Arrange room and equipment for showing. Alert the audience for the showing or what will be seen. Run the film. Discuss the subject matter and summarize. |
| ***Samples, Forms, and Exhibits***<br> <br> it's the<br>BEST | Keep subject matter practical; show development of a process; increase understanding.<br>Select only enough to illustrate, not confuse.<br>Pass around if necessary.<br>Take time to present clearly.<br>Comment when presenting. |
| ***Pedestal Chart***<br> <br> MAKE<br>it<br>Count | A pad of newsprint sheets or similar paper may be used for the same purposes as the chalkboard. Material recorded with chalk or crayon may be saved for future reference by the group or by the instructor. |

# OVERHEAD PROJECTUALS

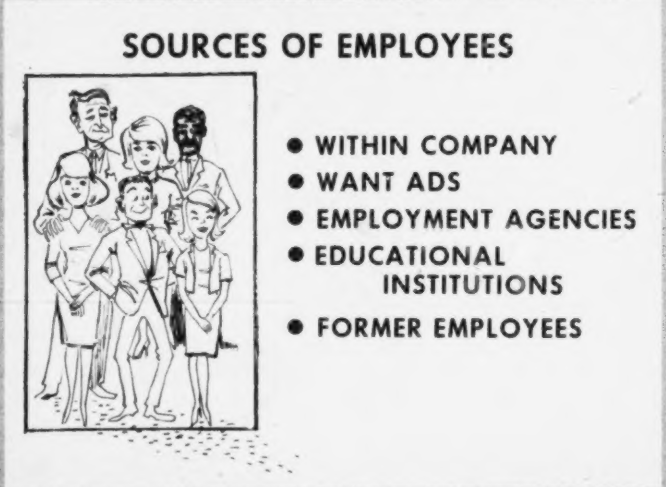


**A**TTITUDES

**S**KILL

**K**NOWLEDGE

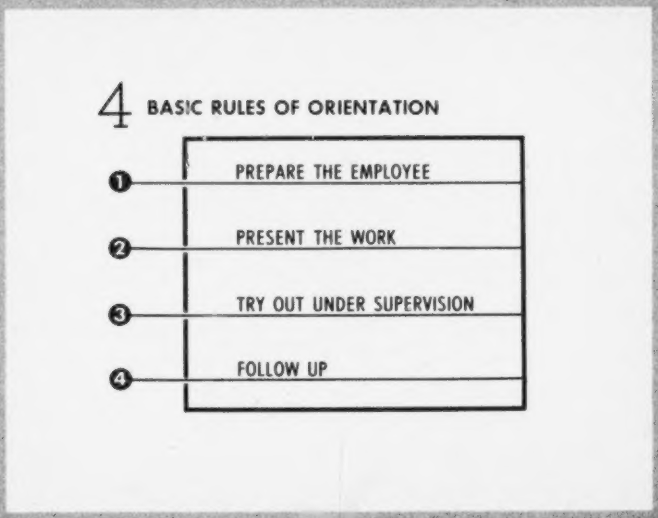
①



## SOURCES OF EMPLOYEES

- WITHIN COMPANY
- WANT ADS
- EMPLOYMENT AGENCIES
- EDUCATIONAL INSTITUTIONS
- FORMER EMPLOYEES

②



4 BASIC RULES OF ORIENTATION

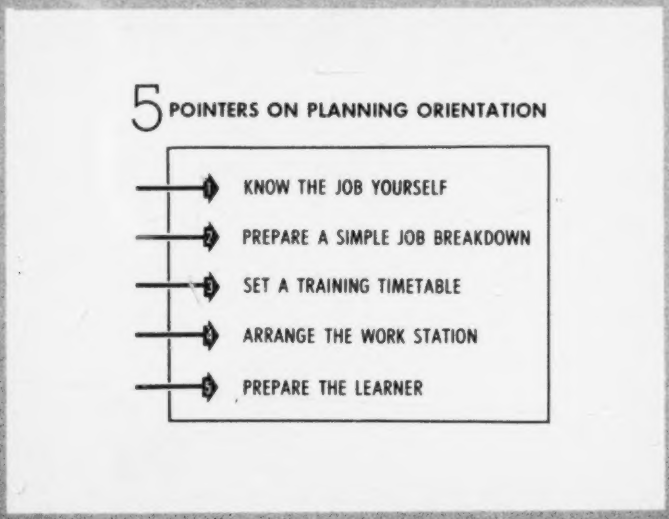
❶ PREPARE THE EMPLOYEE

❷ PRESENT THE WORK

❸ TRY OUT UNDER SUPERVISION

❹ FOLLOW UP

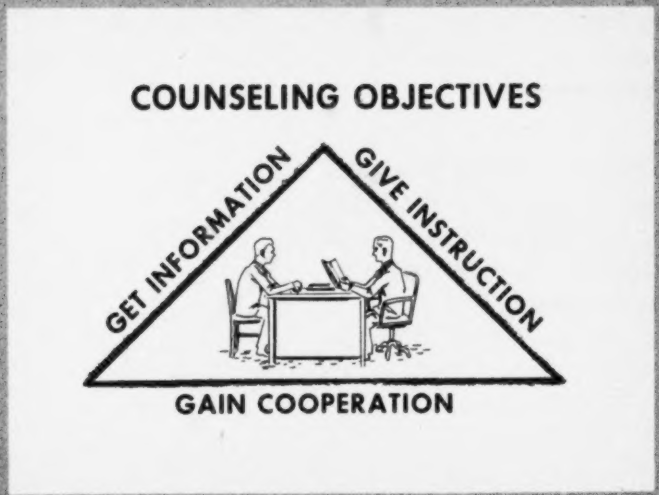
③



5 POINTERS ON PLANNING ORIENTATION

1. KNOW THE JOB YOURSELF
2. PREPARE A SIMPLE JOB BREAKDOWN
3. SET A TRAINING TIMETABLE
4. ARRANGE THE WORK STATION
5. PREPARE THE LEARNER

④



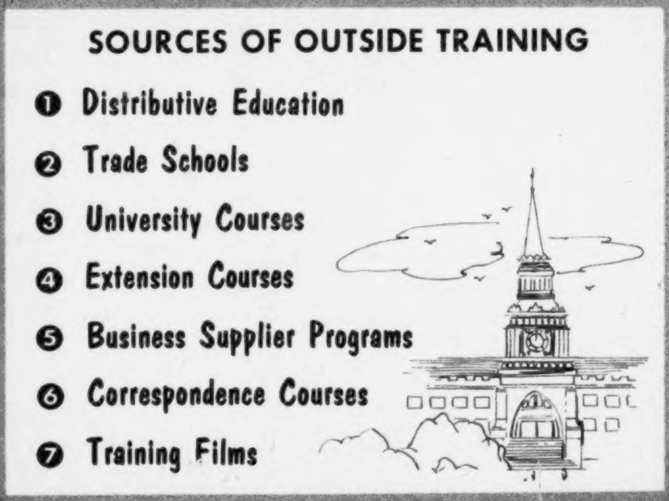
## COUNSELING OBJECTIVES

GET INFORMATION

GIVE INSTRUCTION

GAIN COOPERATION

⑤



## SOURCES OF OUTSIDE TRAINING

❶ Distributive Education

❷ Trade Schools

❸ University Courses

❹ Extension Courses

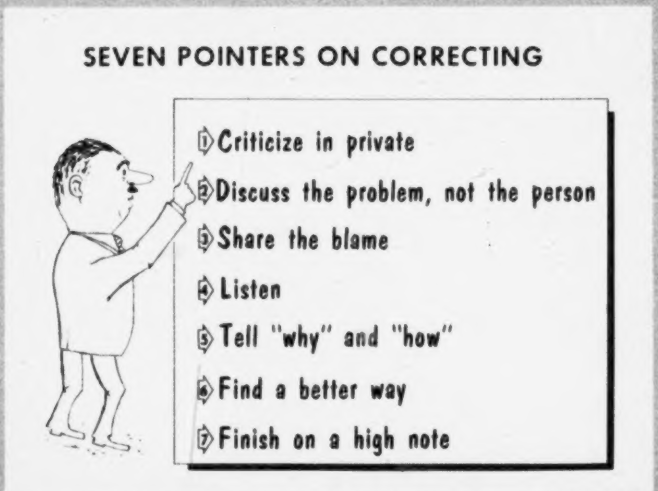
❺ Business Supplier Programs

❻ Correspondence Courses

❼ Training Films

⑥

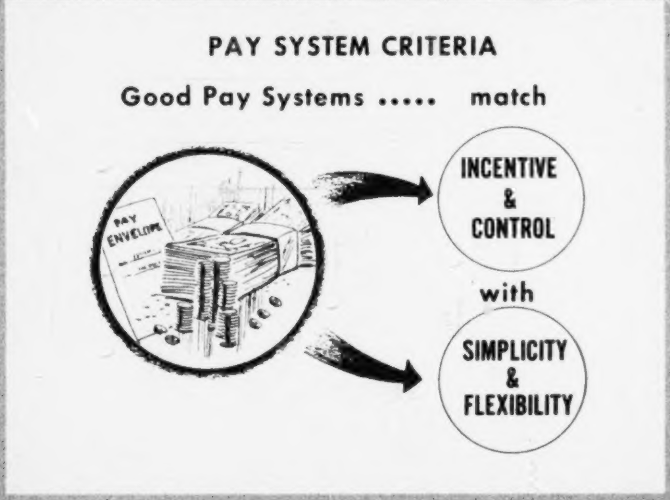
# OVERHEAD PROJECTUALS



SEVEN POINTERS ON CORRECTING

- ① Criticize in private
- ② Discuss the problem, not the person
- ③ Share the blame
- ④ Listen
- ⑤ Tell "why" and "how"
- ⑥ Find a better way
- ⑦ Finish on a high note

⑦



PAY SYSTEM CRITERIA

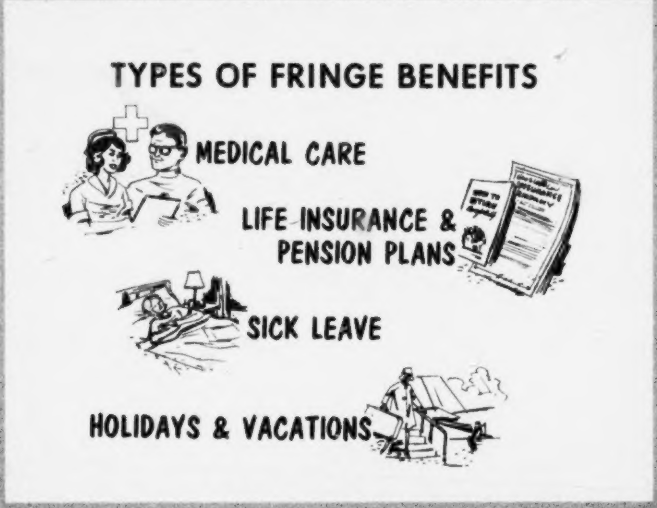
Good Pay Systems ..... match

INCENTIVE & CONTROL

with

SIMPLICITY & FLEXIBILITY

⑧



TYPES OF FRINGE BENEFITS

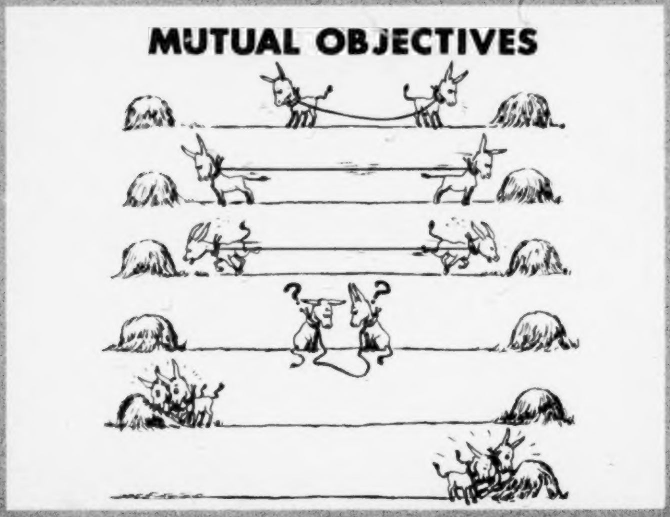
MEDICAL CARE

LIFE INSURANCE & PENSION PLANS

SICK LEAVE

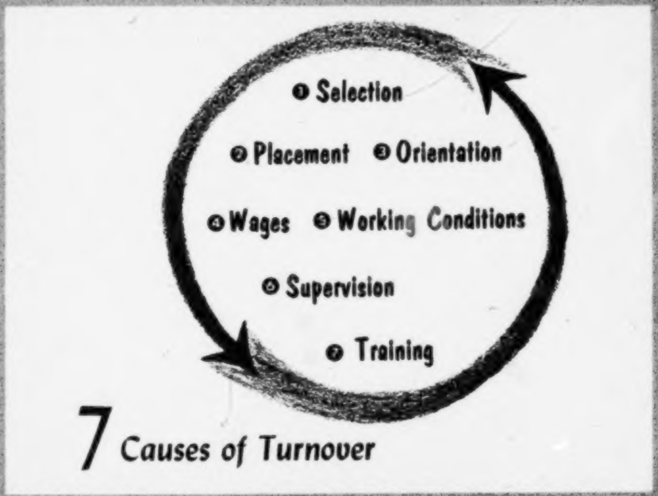
HOLIDAYS & VACATIONS

⑨



MUTUAL OBJECTIVES

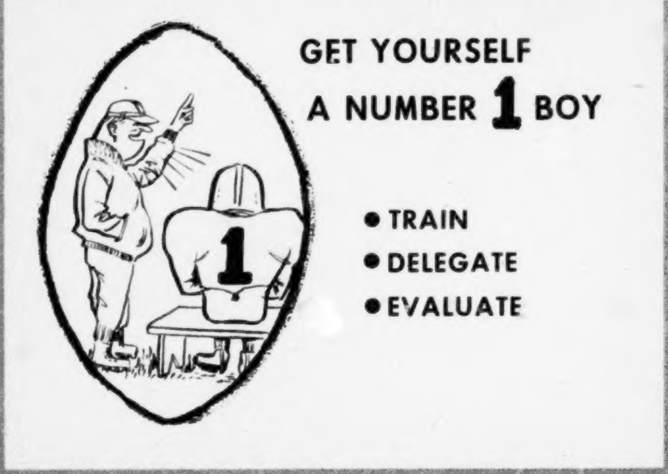
⑩



- ❶ Selection
- ❷ Placement
- ❸ Orientation
- ❹ Wages
- ❺ Working Conditions
- ❻ Supervision
- ❼ Training

7 *Causes of Turnover*

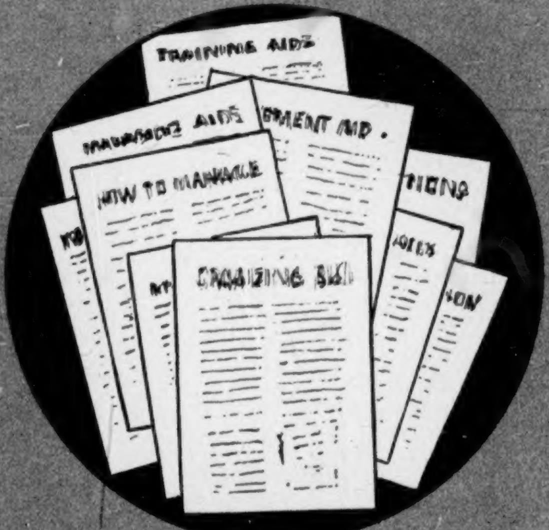
⑪



GET YOURSELF A NUMBER **1** BOY

- TRAIN
- DELEGATE
- EVALUATE

⑫



# THE SUPPLY DEPARTMENT

## *A Resource Materials and Participant Handout*

## Section

It is generally conceded that interest intensifies in situations where people have a chance "to participate" by such means as open discussion and buzz sessions. The materials in this section should prove useful in this kind of activity. These materials may be reproduced locally.

It is also desirable to provide participants with "take away" materials if they are pertinent and concise. Accordingly, appropriate Management Aids, Small Marketers Aids, and Management Research Summaries are included in this section. Current information on the availability of suggested and new SBA publications may be obtained from the nearest SBA office.

## NO MODEL CHANGE-OVER

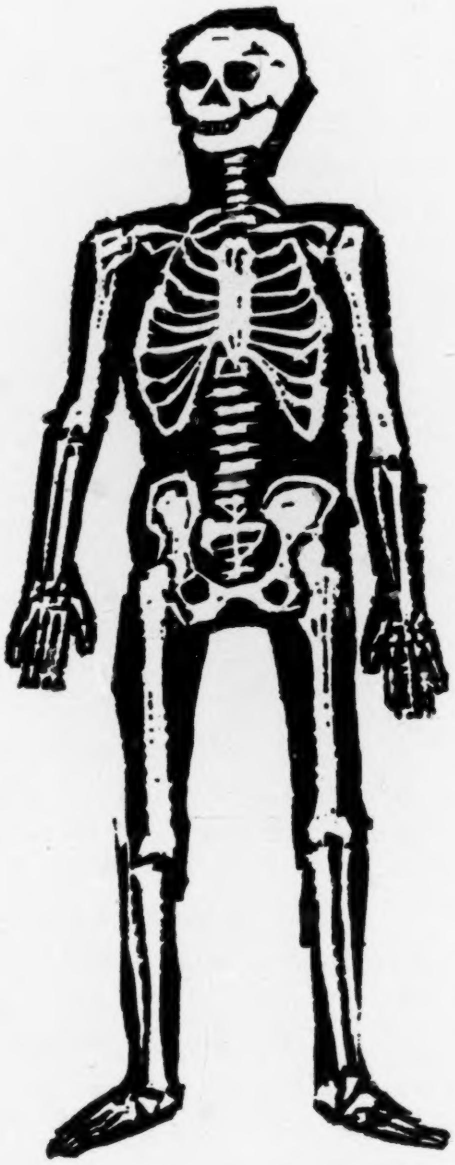
Here is a secret
X-ray view
of one of our
thinking machines.

It's a very ancient model,
just about
as old as time.

No pushbuttons, no bells,
no clankity-clank.

But we've found that
if you feed it facts
and figures,
and leave it alone
for a while . . .
there's no limit to what it can do.

Frankly, no mechanized model is
ever going to replace it.
Not around here, anyway.



Courtesy of the Roosevelt Savings Bank of Brooklyn, N.Y.

Handout No. 6-1

## SAMPLE JOB DESCRIPTION

Job title: Office and credit manager

Supervisor: Store manager

### Job Summary

Responsible for all office and credit functions of the store. Has control of store's assets and expenditures. Helps manager administer store's policies and methods. Exercises mature judgement and initiative in carrying out duties.

### Duties

1. Inspects sales tickets for accuracy and completeness of price, stock classifications, and delivery information. (Daily)

2. Prepares bank deposit, listing checks and cash, and takes deposit to bank. (Daily)

3. Keeps sales and expenses record sheets, posting sales and expenses, and accumulating them for the month. (Daily)

4. Processes credit applications: analyzes financial status and paying record of customers; checks references and credit bureau to determine credit responsibility. (Daily)

5. Sends collection notices to past-due accounts, using mails, telephone calls, and personal visits, if necessary, to collect. (Daily)

6. Sells merchandise during rush hours of the store. (Daily)

7. Checks invoices of outside purchases to verify receipt, quantity, price, etc. Gets store manager's approval. (Weekly)

8. Does all bookkeeping and prepares financial and profit and loss statements of store. (Monthly)

| Duties | Approx. time spent on each duty (percent) |
|---|---|
| Bookkeeping | 40 |
| Credit and collection | 20 |
| Selling on retail floor | 20 |
| Inventories and stock control | 10 |
| Miscellaneous functions | 10 |

Handout No. 6-2

## POINTERS ON CONDUCTING GROUP SESSIONS

1. Ahead of time, let your employees know when, where, and why you are having the session.

2. Select a time and place that suit the convenience of your employees. Many firms have found that using company time is not only convenient, but also creates good will among employees.

3. Start cordially, and on time. A casual approach will help put the group at ease.

4. Tell the group the topic you want to discuss or the objective you want to achieve, and mention any limiting factors or conditions.

5. Outline your tentative approach to the problem--both to give the discussion some point to start from and also to indicate your own attitudes. But don't be stubborn or dictatorial; your aim is to stimulate discussion, not stifle it.

6. Get the discussion going by drawing out some thoughts from the group. State facts as facts and your opinions as opinions. Encourage participation, and try to get reactions from everyone. Use visual aids, if they add to your presentation.

7. Keep the discussion on the subject. Avoid personal arguments, and do not monopolize the discussion or let another monopolize it. Summarize frequently, for your own benefit as well as for the others.

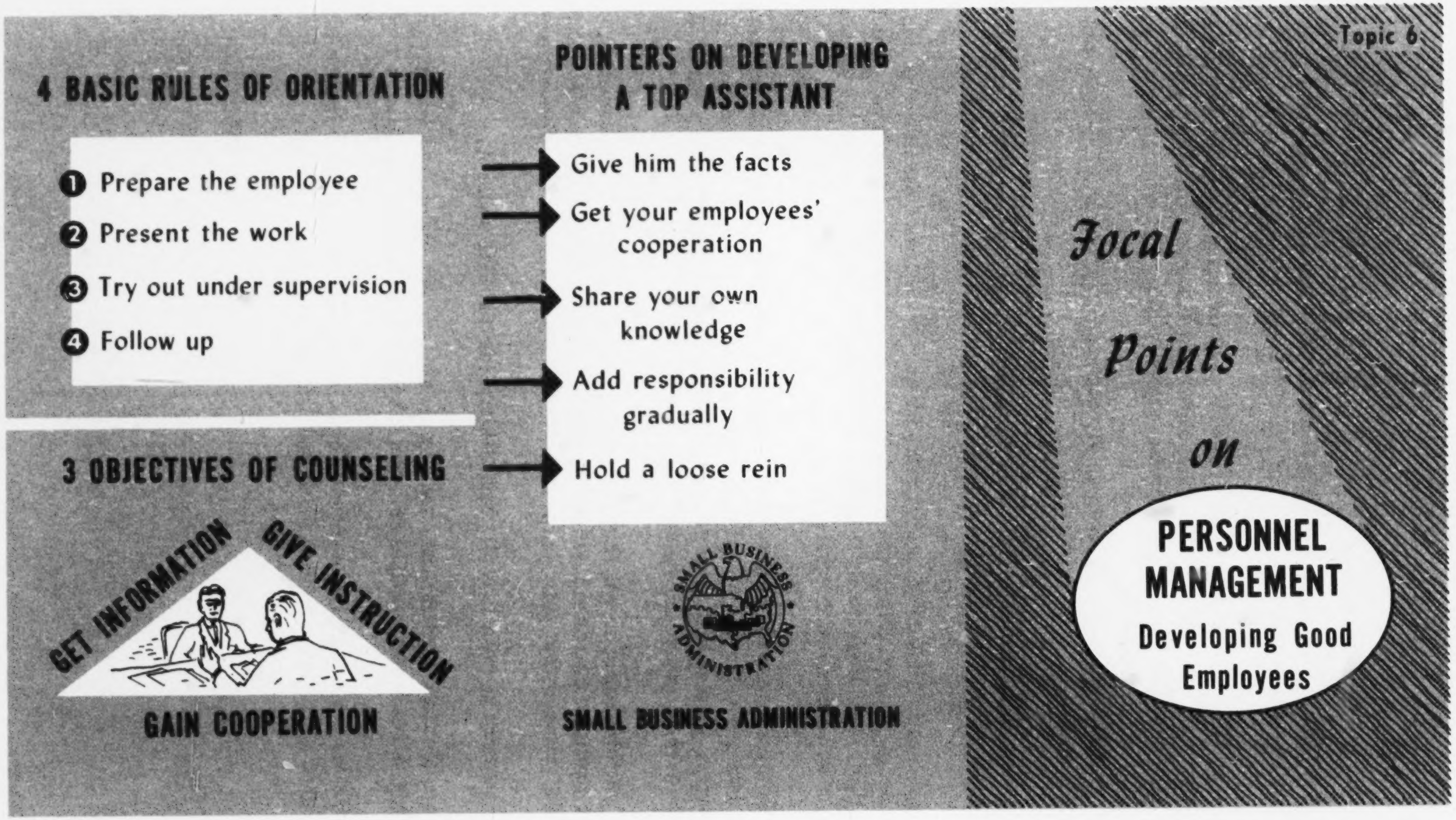
8. Work toward a conclusion that the majority will accept.

9. Sum up. State conclusions, as concisely as you can, and relate them to other situations, policies, and objectives of your firm.

10. Thank everyone for cooperation, opinions, and ideas, and invite their continued thinking or observations on the topic.

Handout No. 6-4

773-375 O-65—5



**4 BASIC RULES OF ORIENTATION**

1. Prepare the employee
2. Present the work
3. Try out under supervision
4. Follow up

**3 OBJECTIVES OF COUNSELING**

GET INFORMATION
GIVE INSTRUCTION
GAIN COOPERATION

**POINTERS ON DEVELOPING A TOP ASSISTANT**

- Give him the facts
- Get your employees' cooperation
- Share your own knowledge
- Add responsibility gradually
- Hold a loose rein

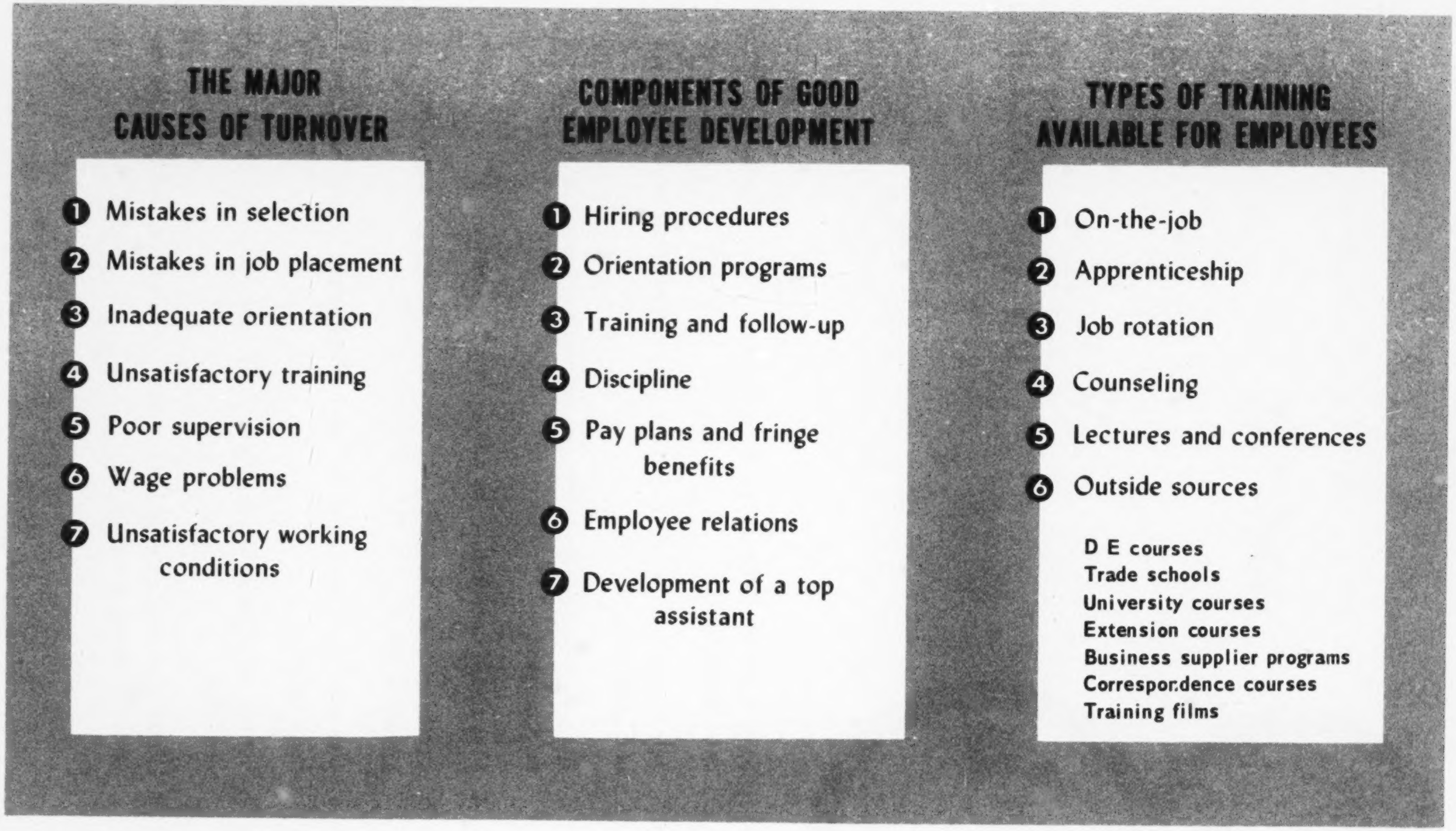
SMALL BUSINESS ADMINISTRATION

Topic 6

*Focal Points on*

**PERSONNEL MANAGEMENT**
**Developing Good Employees**

This page and the following illustrate a three-fold leaflet which summarizes the subject presentation. The leaflet is available in quantity from the nearest Small Business Administration office for distribution to participants in SBA-cosponsored administrative management courses.



## THE MAJOR CAUSES OF TURNOVER

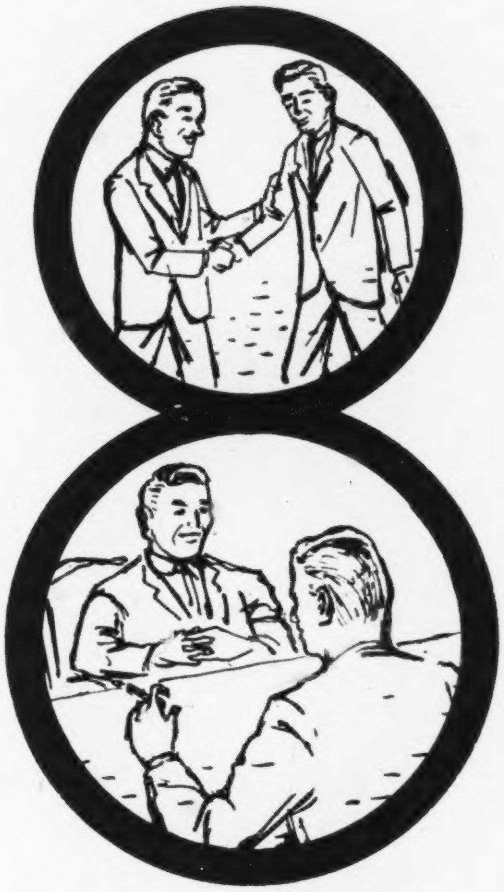
1. Mistakes in selection
2. Mistakes in job placement
3. Inadequate orientation
4. Unsatisfactory training
5. Poor supervision
6. Wage problems
7. Unsatisfactory working conditions

## COMPONENTS OF GOOD EMPLOYEE DEVELOPMENT

1. Hiring procedures
2. Orientation programs
3. Training and follow-up
4. Discipline
5. Pay plans and fringe benefits
6. Employee relations
7. Development of a top assistant

## TYPES OF TRAINING AVAILABLE FOR EMPLOYEES

1. On-the-job
2. Apprenticeship
3. Job rotation
4. Counseling
5. Lectures and conferences
6. Outside sources
    - D E courses
    - Trade schools
    - University courses
    - Extension courses
    - Business supplier programs
    - Correspondence courses
    - Training films



# POINTERS ON COUNSELING

▶ 1. Show a genuine interest in your employees' views. Exchanging ideas encourages this.

▶ 2. Select a time and place convenient to the employee; set a time limit and stick to it.

▶ 3. Have an object for the interview, and don't get sidetracked or go off on a tangent.

▶ 4. If you want cooperation, try saying "we" instead of "I"

▶ 5. Listen without interrupting - - even if you think you have a better answer or idea.

▶ 6. Use specific questions of the who? what? when? where? why? and how much? type.

▶ 7. Finish on a high note. Summarize your conclusions as an aid to future direction.

▶ 8. Thank your employee for his courtesy, cooperation, and contribution of ideas, facts, and opinions.

Handout No. 6-5

*Personnel Management*

**SMALL BUSINESS ADMINISTRATION**
U. S. Government Agency

SMALL MARKETERS AIDS No. 106

WASHINGTON, D.C.
September 1964

# FINDING AND HIRING THE RIGHT EMPLOYEE

By **Rudolph Raphelson**

Occupational Analyst

Pennsylvania State Employment Service, Philadelphia, Pennsylvania

SUMMARY

A part of efficient management in a small store or shop is taking time to find and hire the right employee. Three steps can be helpful: (1) decide what kind of skill is needed, (2) contact sources which can help recruit people, and (3) screen applicants in order to pick the best one.

This Aid includes sample application forms. They are tools for gathering information which the owner needs when he screens job applicants.

"When I need a man, I get one as soon as I can and put him to work right away," one small marketer says. "I can't afford to keep customers waiting."

Such urgency plus the feeling that good employees are hard to find means that some small retail and service owners often hire people without shopping around. These businessmen feel that they don't have time to interview and screen job applicants. They fail to realize that improper selection of new employees is the easiest way to increase the cost of doing business.

Still other small retailers and service operators take time to look for the right employee. They handle this problem in three steps: (1) they decide the kind of applicant they need; (2) they contact sources which can help recruit applicants; and (3) they screen applicants in order to pick the best ones.

## DECIDING WHAT KIND OF APPLICANT

In determining the kind of job applicants he needs, the small marketer should ask himself several questions. First, what kind of person would he ask for if he could have exactly the type applicant he wants? Usually, the ideal applicant is not available. So work down from that point.

Ask yourself: What skill do I really need? In a sense, you are analyzing the job--the most important step before hiring. Then in case applicants with that skill are not available, what is the lowest skill I can get by with? If you cannot get what you want, what kind of applicant can you settle for and still get the job done? Is such an individual available or is he a shortage item in the labor market?

Sometimes a small business owner gets ill-suited job applicants because he fails to spell out what he wants. Bill Retreat* is a case in point. He asked for a "clerk." What he really wanted was a combination bookkeeper-stenographer--two skills which were in short supply even when not combined in one person.

Sometimes service station dealers ask for experienced "attendants." They feel that they do not have to spell out the duties of the attendant. "If he's a gas station attendant, he'll know what he has to do," they say.

Yet, as in most jobs, gas attendants have a range of duties. For example, some work only on the driveway; their job is selling gasoline. Others lubricate cars and change tires in addition to pumping gasoline. Still others also do repair work during slack times at the pumps.

The trick in getting the right man for any job is deciding what kind of skill is needed. Then, the applicant's skills and experience can be matched against the requirements of the job.

If a service station dealer, for example, needs a repairman but doesn't say so, he can waste much time interviewing men who are qualified only for driveway work. If he only needs a gas pumper, he wastes time and money if he interviews and hires a mechanic.

---

*Names are disguised in Aids.

On the other hand, suppose that you run a roofing firm and need a sheet metal man. Suppose further that experienced sheet metal workers are hard to get. Could you settle for a trainee who has aptitude and is willing to learn?

Sometimes the retailer whose business is growing has trouble deciding the kind of help he needs. While he is busy with customers, the telephone rings and letters which need answering pile up. He begins to feel that he needs a secretary. But does he?

Secretaries are scarce and expensive. Stenographers are also hard to find in many towns and are almost as expensive as secretaries.

Perhaps the retailer could get by with a typist. True, it is a chore for him to write out letters rather than dictating them. But his chances of getting a typist may be pretty good. And hiring a typist instead of a stenographer can save him from $15 to $25 a week. Further, many retailers are not skilled at dictation and can compose a letter much better by seeing what it looks like before it is typed.

Keep in mind that the kind of skill you want may be hard to get. Decide what skill you can settle for. How far down the line can you go? If you cannot get a repairman, for instance, what kind of a trainee can you use?

## CONTACTING SOURCES OF APPLICANTS

After you know the kind of skill you need, you are ready to contact sources which can help you recruit job applicants. One source is the Public Employment Service.

Each State has its Employment Service (sometimes called "Employment Commission", "Employment Security Agency", or "Commission"). The State Services are affiliated with the United States Employment Service. Throughout the Nation, about 1900 local offices are ready to help businessmen with their hiring problems.

The Employment Service will recruit applicants, screen them according to your specifications, and send you the ones who best meet the specifications. So be as specific as you can about the skill you want when you order a job placement from the Employment Service.

When you are willing to hire a trainee, the Employment Service can often screen applicants by giving them aptitude tests--that is, when tests are available for the skill you need. A high score doesn't guarantee that the applicant will be a success, but it does indicate that he has the ability to learn the work.

In addition, the Employment Service may be able to help you in other ways to solve problems you may have in finding, hiring, and holding employees.

Another source of recruitment is right at your front door. Some stores put a "Help Wanted" sign in the window. This practice can cut into your time because many unqualified applicants may inquire. Then, too, when you turn down an applicant, you may risk losing his business or that of his friends and family.

A newspaper advertisement is another source of applicants. With it, you reach a fairly large group of jobseekers. Yet, like the "help wanted" sign, it may bring in many people who are not qualified. If your telephone number is in the ads, calls could tie up your line and keep customers from reaching you.

One way to cut down on the time you spend on recruiting is to advertise and let the Employment Service screen for you. Thus applicants report to it rather than to your store or shop and are screened by its experienced interviewers. You interview only a select number--the 3 or 4 best applicants.

Job applicants also can be found by contacting friends and neighbors, customers, suppliers, or present employees. However, don't overlook a problem which can come from such recruiting. How do you keep the goodwill of those sources if the person they recommend turns out to be no good and you have to fire him?

____________________19___

Name ______________________________ Phone No. ____________________

Address ______________________________________________________

Age____ Draft Status________ Single___ Married______ No. of children_______

Education: High School ___Years College__________________ ___Years
(name)

If you own an auto________________. Salary expected $________ per month.
(make and year)

How did you happen to apply here?__________________________________

BRIEF WORK HISTORY

| Company | Your Supervisor | Job Title | Dates From | To | Salary per mo. |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |

(continue work history on other side, if necessary)

| | | | | |
|---|---|---|---|---|
| Name | | | | Social Security No. |
| Address | | | | Phone No. |
| Date of Birth | Height | Weight | ___Married<br>___Single | Number of dependents |
| Circle highest year of schooling completed 1 2 3 4 5 6 7 8 9 10 11 12 | | | | |
| Name of School | | | Course & subjects | |
| Do you have a driver's license? ___Yes ___No Do you own tools? ___Yes _No | | | | |
| Last Employer | | | Describe Job | |
| Address | | | | |
| Your Supervisor | | | Length of Employment | |
| Date left | | | Reason for leaving | |
| Previous Employer | | | Describe Job | |
| Address | | | | |
| Your Supervisor | | | Length of Employment | |
| Date left | | | Reason for leaving | |
| If you have never worked before, please give the name and address of the (1) school principal: | | | (2) school counselor(or last teacher): | |

Sometimes a friendly competitor or a business colleague can supply applicants. It may be that he had to lay off a good worker because business has fallen off.

Still another recruitment source is the distributive education departments of high schools--especially if you can use part time employees. The high school boy or girl works in your store while learning about selling and merchandising along with his or her other school courses. In many cases, these young persons stay with the store after they finish high school. Some grow quickly to responsible positions.

In some localities, private employment agencies offer another possibility for help in recruitment. The employee usually pays the fee, but sometimes the employer pays it or part of it.

Still another source of job applicants exists for some areas that are near an armed forces separation center. Job referral is not part of the center's work, but you may be able to attract men who are leaving the service if you let it be known that you have a job opening.

Your choice of what recruiting method you use depends on your type of business and the situation in your locality. In some areas, one source of job applicants may be better than another. Then again, you may find that a combination of sources will best serve your needs in finding new employees. The important thing is to find the right employees for the jobs you want to fill, whatever the source.

## SCREENING APPLICANTS

The hardest part of your work in finding and hiring the right employee starts when applicants apply for the job. Now you have to screen them and pick the one who seems right for your business.

The application form is a tool which can help make your task of interviewing easier. A well-organized application blank gives you facts to use as a basis for judging the applicant--especially when it has been prepared with a particular type of job in mind. The two sample forms on pages 2 and 3 of this Aid should be helpful when you work up your own form.

Although you'll want a fairly complete application--so you can get sufficient information--your form itself can be kept simple. It can be a mimeographed or ditto form.

Have the applicant fill out the application form before you talk with him. It makes a good starting point for your interview. It is also a written record of certain facts--education, work experience, names of former employers, and other references.

When an applicant has had good work experience, other references are not very important. However, if he has had little, or no work experience, you should ask him to list the names of his school principal, vocational counselor, teacher, and other individuals who can give you objective information.

Never ask for personal reference--the "Anyone who knows you" kind. They are rarely worth anything.

A important thing in interviewing is taking the time necessary to get the applicant to talk about himself and his work experience. Your aim is to get as much information as you can about his background and his work habits.

Ask specific questions: What did he do on his last job? How did he do it? Why was it done?

As you go along, evaluate the applicant's replies. Does he seem to know what he is talking about? Does he seem evasive? Are there discrepancies in his story? Can he give a sound reason for them?

In evaluating his replies, try to be objective and unbiased. For example, if you have a personal prejudice against people who wear a certain color necktie, don't allow that feeling alone to cause you to reject what might well be your best applicant.

When the interview is over, note your impression on the application form and put it aside until you have seen other applicants. They may prove to be better.

The next part of your screening is to verify the information you have gotten about the applicant. In most cases, the best source is his previous employer.

Sometimes you can check the information by telephone. However, some employers may not want to give such information on the telephone so it may be better to put your request for information in writing.

When you write to check references, you can help the busy executive to reply quickly. Send him a list of questions which he can answer by a check or with one or two words. For example: How long did Joe Blank work for you?___ His work was: Poor___ Fair___ Good___ Excellent___.

When you have verified the information on all the applicants, you are ready to decide which is the best one for your job. Keep in mind, as you weigh them against each other, that an important part of running your business is selecting employees.

The right employees can help you make money. Wrong ones can waste time and materials, and in some cases, drive away customers. So take time to (1) determine the kind of applicants you need, (2) contact sources which can help you find applicants, (3) interview them, and (4) check the information you get in that personal contact.

## FOR FURTHER INFORMATION

Readers who wish to explore further the subject of finding and hiring the right employee may be interested in the references indicated below. This list is necessarily brief and selective. However, no slight is intended toward authors whose works are not mentioned.

"Stale Ads Don't Draw Top Applicants" in *Administrative Management*, February 1964. $5.00 per year; 60 cents per copy. Geyer-McAllister Publications, 212 Fifth Ave., New York, N.Y. 10010.

*Effective Hiring in Small Business Organizations* by Harrison M. Trice. 1962. 25 cents. New York State School of Industrial and Labor Relations, Cornell University, Ithaca, N.Y.

*Personnel Management Guide for Small Business*, Small business Management Series No. 26. Small Business Administration. 1961. Available for 25 cents from the Superintendent of Documents, Washington, D.C. 20402.

"How Distributive Education Helps Small Business," *Small Marketers Aid* No. 14. Small Business Administration, Washington, D.C. 20416. Free.

*Profitable Community Relations for Small Business*, Small Business Management Series No. 27. Small Business Administration. 1961. Available for 25 cents from the Superintendent of Documents, Washington, D.C. 20402.

SMALL BUSINESS ADMINISTRATION
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Management Aids FOR SMALL MANUFACTURERS 171
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# HOW TO WRITE A JOB DESCRIPTION

By **John A. Beaumont**

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Department of Health, Education, and Welfare, Washington, D.C.

## SUMMARY

A job description is a summary of the important facts about a particular job. It tells: (1) the duties, (2) how these duties are to be performed, (3) the skills needed to do the work, and (4) why the job is necessary--for example, how it ties in with the other jobs in your business.

This Aid outlines a simple method for analyzing and describing the contents of a job. It includes sample forms which the owner-manager can use as they are--or modify to fit his situation--in collecting and recording information about a job.

"I'm not supposed to do that work," one employee complained to another at lunch time. "After all, he hired me as a mechanic."

At the other end of the shop, their boss was getting an earful from the owner-manager. "You've got to finish this work on time," he said.

"I know that," the foreman replied. "But it's not easy with this bunch of prima donnas. They drag their feet when I pull them away from their regular work and put them where they can help move production."

In another small plant, the owner-manager was also pressing for production. "We've got to get this stuff shipped tonight," he said to his foreman.

"It'll push us a little, but we can make it. If I shift Bill and Steve to help break a bottleneck on polishing, that should do it."

When he asked Bill and Steve to move, they went willingly. Why?

One reason was the job descriptions which the plant used. They spelled out the fact that the job included leaving the main task to help break production tie-ups.

The owner-manager had gotten the idea of using job descriptions from a friend who ran a small shoe store. On a bulletin board in the stock room was a sheet of paper on which was written the names of the store owner and his two employees.

Under each name, the owner had listed the duties and responsibilities of each individual. "This simple job description," as the shoe store owner said, "helps all three of us to know our jobs."

The idea behind a job description is so simple that it can be used in a three-man business or in one employing several hundred. The main difference is that more information has to be gathered and used in the larger organization.

## WHAT IS A JOB DESCRIPTION?

The shoe store owner and his friend, the small plant owner-manager, use job descriptions because they realize that the success or failure of their businesses is determined largely on how well each employee does his own work and how well that work relates to other jobs.

Yet some owner-managers make little or no effort to identify clearly the duties of each job. Nor do they try to determine what is to be accomplished in each one. Thus when a job is poorly performed, they tend to find fault with the worker. A more logical approach might be to determine whether he knows what is to be done.

Depending on the work to be done, a job description can be involved or simple. It is a written record of: (1) the duties, (2) the responsibilities, and (3) the requirements of a particular job.

A description includes a summary of the significant facts pertaining to a job. These facts give the owner-manager and the employee a general understanding of: (1) what the worker does, (2) how he does it; and (3) why he does it. They also indicate the skills and responsibilities involved and its relationship to other jobs in the plant.

"What is my job?" is the question which a job description should answer clearly.

Keep in mind that a description is concerned only with the basic requirements of the job, not how well a certain individual now performs it. You will want to make this point clear because employees erroneously think that a job description is used to rate individual performance. Teach them that it is only a means of analyzing and describing the actual content of the job itself.

Three things are necessary in order to write a job description. They are: (1) convincing employees of its value, (2) preparing forms which make for easy recording of necessary facts, and (3) collecting information about the job.

## CONVINCING EMPLOYEES

The amount of convincing which you'll need to do depends on your type of work, the organization of your business, and, particularly, on the number of workers you employ. Basically, educating employees, including your foreman and other supervisors, is a communications problem.

Tell employees about your plan--individually or in small groups. Point out how job descriptions can help each employee get more satisfaction from his work. Emphasize the fact that the purpose of the description is to give them understanding of what they are expected to do. It is not designed to evaluate or speed up their work.

## PREPARING FORMS

You will need five kinds of facts to develop a description: (1) facts which identify the job, (2) facts about the skills required to do it, (3) facts about its responsibilities, (4) facts about the effort demanded by it, and (5) facts about working conditions.

An easy way to pin down this information is using a separate form for each type of facts. Look for a few moments at how the model job description forms (on page 3 and 4 of this Aid) can be used to capture the necessary information. You may want to modify them to fit your own needs.

Form 1. Use it to capture identification facts, such as: (1) job title and code number, (2) location of job, (3) number of employees on the job, (4) sex of employees, (5) salary, (6) working hours, and (7) miscellaneous.

Form 2. Use it to jot down facts about skill requirements, such as: (1) educational requirements, (2) job experience, (3) relation to other jobs, (4) job duties, and (5) job knowledge.

Form 3. Use it to note facts about responsibilities, such as: (1) direction and group leadership, (2) business operation, (3) care of equipment, (4) safety and health of others, and (5) contact with public.

Form 4. Use it to pin down facts about the effort which the job demands.

Form 5. Use it to note the working conditions of the job.

## COLLECTING THE INFORMATION

Your employee can supply much of the information which you need for writing the job descriptions. The person working on a particular job knows his duties during the day. He also knows the responsibilities which go with those duties.

When establishing a new job, you should write the best description you can and let an employee test it. He can help you revise the description to fit the conditions that develop in the test period.

In a small plant, the interview method is the best to get these facts. Talk directly to the employee about the job on which he works. Of course, it takes time to get the information, but an advantage is accuracy. You are more apt to get a true picture of what is involved in the job when you and the employee engage in a "give and take" discussion of it.

If you decide to use a conference with a group of employees who work on the same job or a questionnaire which employees fill out, keep in mind the fact that each has disadvantages. In the conference method, shy employees are not apt to speak up. And some of these reserved employees may know more about the job than the boisterous talkers who dominate the meeting.

The questionnaire method has two disadvantages. First, you have to work out the questions and get them typed up. And second, even the best-thought-out questions might not mean the same thing to each employee. The result, of course, is inaccurate and conflicting information.

Above all, bear in mind that the information you collect about a job must be factual and accurate.

## USING THE JOB DESCRIPTION

After you have collected the data from each employee on the suggested forms on pages 3 and 4 of this Aid, you should read the forms to make sure that they tell the story as you see it. Then you can begin to use the job description by:

(1) Giving the employee a copy.

(2) Making sure that the employee does the job as described.

(3) Using the description as a guide when hiring a new employee. It also helps the applicant determine whether he wants the job.

And finally, be sure to make out a description on your own job. The exercise may show up ways to make your own work easier.

Form 1

## IDENTIFICATION FACTS

Job Title ____________________ Location ____________________

Other titles used ____________________ Number employed: M __________ F __________

Brief summary of nature or function of job* ____________________

Code number** __________

Salary range: Minimum ____________________ Maximum ____________________

Average bonus or incentive payment ____________________

Working hours: Shift: __________ From __________ To __________

Overtime: ______ never ______ seldom ______ frequent; average hours per week: ______

Misc. ____________________

*A 1-sentence description, to give a general idea of job.

**Job definition (from the *Dictionary of Occupational Titles*; your local State Employment Service Office can be helpful.)

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Form 2

## SKILL REQUIREMENTS

Educational Requirements: (general education--grade or years)

Grammar School __________ High School __________ Business School __________ College __________

Specific education for job ____________________

Job Experience:

Previous experience required: None ______

Acceptable type and length ____________________

Average length of time with organization ____________________

Previous jobs normally held ____________________

Next job in line of promotion ____________________

Relation to Other Jobs: Contacts regularly as part of job:

Within the Company ____________________ Outside the Company ____________________

Exercises Supervision Over:

Position of individual: ____________________

Subject of supervision: ____________________

Is Supervised by: Position of individual Subject of supervision

Immediate supervisor ____________________ ____________________

Others ____________________ ____________________

Job Duties:

Regular:

Before open for business ____________________

During business hours ____________________

After business hours ____________________

Periodic (weekly or monthly):

Performed on regular time ____________________

Performed after hours ____________________

Occasional: Performed on regular time ____________________

Performed after hours ____________________

Job Knowledge:

General ____________________

Policies and Regulations

Special and Departmental ____________________

Procedures and Methods ____________________

Technical Information ____________________

Related Information ____________________

Use of equipment: Types of equipment: ____________________

Special operations ____________________

Form 3

## RESPONSIBILITIES

Direction & Group Leadership:
None ______ Occasional ______ Frequent ______ Continual ______
Nature of responsibility ______

Business Operation:
None ______ Occasional ______ Frequent ______ Continual ______
Nature of responsibility ______

Care of Equipment:
None ______ Occasional ______ Frequent ______ Continual ______
Nature of responsibility ______

Safety and Health of Others:
None ______ Occasional ______ Frequent ______ Continual ______
Nature of responsibility ______

Contact with Public: None ______ Occasional ______ Frequent ______ Continual ______

Form 4

## EFFORT DEMAND

### Physical Activities

____ Standing
____ Walking
____ Balancing
____ Climbing
____ Turning
____ Running
____ Stooping
____ Sitting
____ Reaching
____ Throwing
____ Lifting
____ Carrying
____ Pushing
____ Pulling
____ Fingering
____ Feeling
____ Smelling
____ Testing
____ Hearing
____ Seeing

### Worker Characteristics

____ Planning
____ Directing others
____ Writing
____ Showing enthusiasm
____ Being well groomed
____ Controlling emotions
____ Using arithmetic
____ Working accurately
____ Discriminating colors
____ Talking
____ Showing initiative
____ Getting along with people
____ Working at various tempos
____ Concentrating amid distractions
____ Remembering names and faces
____ Remembering details
____ Examining and observing details
____ Attending to many items
____ Making decisions
____ Working rapidly

Form 5

## WORKING CONDITIONS

____ Inside
____ Outside
____ Humid
____ Hazards
____ High places
____ Change of temperature
____ Hot
____ Cold
____ Dry
____ Wet
____ Dirty
____ Dusty
____ Odors
____ Noisy
____ Inadequate light
____ Inadequate ventilation
____ Working with others
____ Working around others
____ Working alone
____ Working under pressure

Details of Working Conditions (summary based on working conditions) ______
Details of Hazards ______
Permissible Handicaps: Limb ____ Hearing ____ Sight ____

*Personnel Management*

**SMALL BUSINESS ADMINISTRATION**
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# WHAT HAPPENS WHEN YOU HIRE PEOPLE?

*By* **Herman Harrow**

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SUMMARY

This Aid points out that before hiring a new employee, the small marketer should check the possibility of using temporary contract employees or rearranging the duties of present employees.

Present employees should be told about the new job opening and considered for it. If none are qualified, the outside search should begin with a description of the job which can be helpful in finding the right sort of applicants.

Although some small marketers may consider Federal and State employee laws a burden, the paperwork connected with such laws is fairly simple when they know what is expected of them. This knowledge will also enable small marketers to keep other employee records to a minimum.

"I never have time to do what needs to be done," some small marketers say. "I'm tied down because I have to do everything myself."

Sometimes they can make more time by hiring a person who can relieve them of detailed work. Yet some are reluctant to take on an employee.

For one reason or another, though, hiring an employee need not be a chore. Rather, the need for additional help usually means that your firm has grown. You need employees to help handle routine details. Thus you free yourself for management duties, such as planning, making decisions, and controlling.

Look first at some of the things which can help you to decide on whether to bring in a new person.

## DETERMINE YOUR ACTUAL NEED

First, examine your present operation. Do you really need another employee? Can you reassign or realign duties so that your present people can do the work? Are certain kinds of work, that are now being done, no longer necessary?

### • Overtime May Be One Approach

You may find that overtime for your present employees will take care of the added work. Keep in mind, though, that people tend to let their regular work spill over into the overtime hours. You may want to write up a list of tasks which you expect your people to handle in the normal work day. Help in preparing such lists or analyses is available at your State Employment Service.

If you then add duties to be done on overtime, make sure that only these duties are performed during overtime. Don't allow normal duties to expand into the overtime period.

### • Temporary Help May Be Another Approach

In small businesses, the cost of fringe benefits makes the addition of an employee expensive. For example, benefits such as Social Security, Unemployment Insurance, Workmen's Compensation, insurance, rest periods, vacations and holidays, can add a substantial amount to the employee's hourly pay. Such costs also mean that overtime can be expensive since overtime rates have a direct relationship to these payroll items.

You may be able to cut out expensive overtime by purchasing the services (employees) of a contract service organization. These may be useful, for example, if you need a person only for a short time for vacation relief, for a replacement during an illness, or to help with an increased workload.

In or near most cities, there are business organizations which specialize in providing trained employees on contract. These agencies handle all the normal employment obligations, such as government regulations, reporting requirements, and insurance protection. The flat fee which you pay takes care of everything.

- Hiring Another Employee May Be The Only Answer

Sometimes hiring an additional person is the only answer. The work takes too much overtime, or the tasks are permanent ones which cannot be handled by your present people.

Even if you have a choice of using your present employees on overtime or adding another person, it may be better to hire another employee. A new person often brings a fresh outlook and may stimulate your present people. He or she can also provide a cushion in the case of illness among your employees. Then, too, the trial period for your new employee gives you a chance to learn whether you actually need more workers.

## DESCRIBE THE JOB

Before you start looking for a person to fill the new job, take time to determine what qualifications are needed. When you can advertise the exact duties--salesperson, stockroom man, and so on--you are more apt to attract applicants who are interested in that kind of work.

Write down the job duties and to whom the employee will report. If it is a supervisory job, note who reports to him and include the wage or salary range for the job you want to fill. Sample forms for these descriptions and assistance in filling them out are available free of charge at your State Employment Service office. This slip of paper will be handy as you set out to hire the employee.

## FINDING THE RIGHT PERSON

There are two sources for the right person for the job: (1) inside your firm, and (2) outside your organization. Start by looking over your present employees.

- Look Internally

Sometimes business owners tend to overlook the capabilities of their people. Often, an employee's weaknesses will rule him or her out of consideration for a higher level job. Yet, business owners are willing to employ a newcomer on the basis of a brief interview.

If none of your people can fill the job, don't let them find out through the newspapers or the "grapevine" that you are looking for help. Their knowing your plans can save them and you embarrassment, especially if you run a "blind" advertisement.

When some employees learn that their boss is going outside to hire someone, they may feel that their own job is in danger. Explaining the situation helps them to understand that their jobs are secure.

Often employees get much satisfaction in knowing that they were considered even though they did not have the qualifications. Sometimes, they study and work so as to qualify for the next opening.

- Look Outside

The simplest way of looking outside is by advertising the job in the newspaper or by a store-front sign.

Sometimes employees will send in friends. It is a high compliment when one of your employees recommends your firm as a good place to work.

Another source of job applicants is the State Employment Service. Its help is free of charge. You can request pre-tested applicants to meet your requirements. This is important in clerical jobs. The Service will recruit through its network of 2200 offices for skills in which applicants are in short supply.

Private employment agencies offer another source. However, they charge a fee. The fee depends on local or State law and usually ranges from a week's pay to 10 percent of annual salary. Job applicants usually pay the fee but, in some cases, the employer pays it--especially if he is looking for a skill in which applicants are in short supply.

Both State and private employment agencies can be of great help in screening qualified persons. They can also provide information on appropriate wages.

Local high school or business school counselors can furnish grades and test results which are more reliable than a single test. These counselors take genuine interest in placing the right student for your job and at no charge to you.

Still another source of job applicants is through the apprenticeship and cooperative training services offered by local communities. Cooperative training programs--such as Distributive Education--allow persons, while attending school part-time, to work at a trade in which they are interested.

In such an arrangement, you can observe the boy or girl on a part-time basis at minimum wage rates. It also gives the boy or girl a chance to see whether he or she wants to make a career of your kind of work.

If your business sells repairs or other services requiring trade skills, you should check the apprenticeship programs in your area. They are generally organized by government agencies specializing in this work in cooperation with unions or industry groups. For details, check with your local school system, chamber of commerce, or trade union council.

## STARTING THE NEW EMPLOYEE

When your new employee reports for work, don't let him fend for himself. Impressions obtained the first day or week are lasting.

Set up specific on-the-job training procedures. Tell the new employee that you want him to learn, for example, how to take an inventory, how to repair a carburetor or an appliance, or how to handle a sale. Then, after a reasonable period, determine whether he has reached your objective.

Some small marketers orient new employees by putting them under the guidance of an experienced employee in whom they have utmost confidence. Tell the senior man what you want him to teach the new arrival. Be sure that you follow up regularly to see how well the new person is learning the work.

Tell the new employee that after he has served a probationary period (the length depends on your situation), you will review his overall work performance. If you doubt his ability to perform the job, discharge him. When you keep an unsuitable person, you do both him and your firm a disservice. Giving a wage increase at the end of the probationary period is a positive way of showing the new employee that you appreciate his efforts and that you desire him as a permanent employee.

## EMPLOYEE LAWS

Federal and State laws are primarily for the protection of the employee. You are already familiar with employee laws if you are presently employing people. However, if your firm is just getting ready to take on its first employee, you should know certain facts about the laws which apply to an employee.

Generally speaking, Federal and State laws concerning employees are designed to provide: (1) minimum standards of wages, (2) minimum standards of working conditions, and (3) maximum limitations on the use of employees for protection of their health and welfare. Such laws are not designed so much to restrict or regulate the small business owner as they are to protect the employee.

Thus, the Fair Labor Standards Act sets minimum wages and overtime pay and places some limitations on hours. Whether your firm is covered in the Act depends on your situation. For additional information, see "The Wage-Hour Law in Small Firms," *Small Marketers Aids* No. 88, free from SBA.

The Social Security Act requires you to share in the cost of providing minimum retirement benefits for your employees. The current tax rate calls for you to pay 3-5/8 percent of the employee's salary. Each employee contributes a similar amount up to a maximum of $174 per year.

Federal Income Tax legislation requires you to deduct the income tax from your employee's pay according to their dependency status. You are obligated to collect the proper amount and turn it over to the Government. You can get dependency status forms (W-4) for your employees to fill out from the nearest office of the Internal Revenue Service.

You also have to file reports on the amount of Social Security (FICA) and income tax deducted from your employees each quarter. For additional information see, "Tax Dates for Small Marketers," *Small Marketers Aids* No. 87, free from SBA.

Most recently, the Equal Pay Act was passed by Congress, but you will find many States with similar legislation, to ensure that men and women receive equal pay if they are performing the same work.

The States are also active in supplementing the Federal standards and setting their own as well. Again, the emphasis is on the protection of employee rather than on regulating the business owner. Employee laws, of course, vary from State to State but there are certain basic approaches common to quite a few.

While the Fair Labor Standards Act regulates firms that engage in interstate commerce, you will find, for example, many States setting similar wage minimums of 75 cents to $1.25 for firms operating within the State. Some also prescribe that overtime is required after 40 hours per week.

Nearly every State restricts the number of hours and types of work minors may do. For example, most States prohibit minors from: (1) working more than 8 hours per day, (2) operating moving machinery, or (3) engaging in occupations injurious to their health. Usually minors must obtain a work permit through their local school system.

Similarly, many States limit the employment of women to not more than 8 hours per day or 48 per week. Women under 21 may not work beyond 8 p.m. in certain States. Some State laws restrict the amount of weight to be lifted by women to not more than 25 pounds.

Many States require that employees be granted a day of rest each week and that there be a suitable space and reasonable time afforded for rest or lunch periods.

If any unusual employment conditions exist in your business, be sure you are observing your State laws. If you are in doubt, check with the Department of Labor in your State. These organizations are usually located in the State capital.

Most States require regular payment of wages due an employee. As a rule, payday is 7 to 10 days after the work period ends. In some situations, you can pay employees monthly. However, monthly payment is usually reserved for employees who are exempt from overtime requirements.

You should also keep in mind that any monies deducted from wages should be specifically authorized by the employee in writing. The only exception allowed by most States is garnishment or wage assignments issued by a court. In the case of the Federal government, the only exception is the Social Security tax.

All States require Workmen's Compensation coverage for your employees so that they may have medical and hospital treatment if they are hurt at work or become ill because of their work. Workmen's Compensation also insures that employees get a portion of their regular income while recovering. Generally, this coverage can be provided through a State insurance fund, or in many cases, through your own insurance broker.

You should be especially careful in working minors. In many instances, the employer who works minors in violation of State requirements may be subject to a double penalty in the event of their injury or illness.

You are also required to pay the cost of Unemployment Insurance protection for your employees. Such insurance provides unemployment benefits for employees in the event they are laid off and are actively seeking other suitable work. You can get details about this tax, if you have never employed anyone, from your nearest State Employment Service Office.

## RECORDS CAN BE SIMPLE

Your employee records need not be elaborate. They can be kept simple and easy to maintain. Two sheets of paper, or two cards, are all that you need.

You can list on one card: (1) name, (2) address, (3) telephone number, (4) person to contact in case of an emergency, (5) Social Security number, (6) number of dependents, and (7) previous education and experience.

You may find it useful to jot the employee's various skills on the card. You might also jot down the various benefits you extend to him or her from time to time.

Provide a space to enter the reason for termination, if it occurs. This information may be useful in completing or contesting an unemployment insurance claim.

Use the second sheet or card for payroll information. On it record: (1) the employee's gross earnings, (2) F.I.C.A., (3) withholding tax, (4) deduction for benefit programs and (5) net pay. Some small marketers find it useful also to record payments for the 40 hours of straight time in addition to any overtime worked.

Payroll items should be posted weekly. Then at the end of the quarter, you can summarize your reports for: (1) unemployment compensation, (2) social security, and (3) income tax. At the end of the year, you can work up your annual reports by adding up the four quarterly subtotals.

## FOR FURTHER INFORMATION

Businessmen interested in the subject of hiring people may wish to consult the following references. This list is necessarily brief and selective. However, no slight is intended toward authors whose works are not mentioned.

*Effective Hiring in Small Business Organizations* by W. J. Wasmuth and H. M. Trice. 1962. 25 cents. New York State School of Industrial and Labor Relations, Cornell University, Ithaca, N.Y.

*How to Select Better Employees*, (No. 17 in the Here's How Series). 1953. Sample, free. Bureau of National Affairs, 1231 24th St., N.W. Washington, D.C. 20037.

*Guidelines for Employment of Young Workers*. United States Bureau of Labor Standards. 1958. Available for 5 cents from Superintendent of Documents, Washington, D.C. 20402.

*Personnel Management Guide for Small Business*. SBMS No. 26. Small Business Administration. 1961. Available for 25 cents from Superintendent of Documents, Washington, D.C., 20402.

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# HANDLING THE PROBLEM EMPLOYEE

By *Robert N. McMurry*, President,
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## SUMMARY

This Aid defines problem employees as ones who, for various reasons, do not contribute to a business organization as their employer intends that they should. It discusses several reasons why some people are problem employees.

The Aid then suggests what small businessmen can do to: (1) Keep from hiring potential problem employees, (2) Rehabilitate present problem employees, and (3) Prevent satisfactory employees from turning into problems.

The problem employee is one who, for some reason, doesn't contribute to your organization as you intend that he should. You expect him to do one thing, but he does another. Faulty communications? Not necessarily. A small marketer may have excellent communications and still have several problem employees. Why?

This is true because the situation of problem employees involves much more than communications. To deal effectively with a problem employee you have to know why he's a problem.

## WHAT MAKES PROBLEM EMPLOYEES?

A person may be a problem employee for any of several reasons. Among them are:

(1) Lack of skill in the job,
(2) Misplacement,
(3) Lack of job structure,
(4) Incompatibility between employee and employer,
(5) Inadequate supervision,
(6) Emotionally immature employee, and
(7) Physiological deterioration or poor health.

Or he might be a problem because: his personal adjustment is poor, because he feels insecure about his job, or because he's bothered by off-the-job difficulties.

- Lack of Skill

Sometimes a person is a problem employee because he lacks skill in the job and competence on it. His skill may have been sufficient when you hired him, but it didn't increase as the job grew.

Not being able to perform the job as well as he'd like--or as well as he thinks you expect him to--can do several things to an employee. It might, for example, make him indifferent to customers.

- Misplacement

Often an employee becomes a problem because he's in the wrong job. Perhaps he's selling, and failing miserably because he lacks self-reliance (the capacity to accept rejection without anxiety).

He begins to feel that customers don't like him. And, in some cases, this feeling causes him to act in a hostile way toward them.

- Lack of Job Structure

Without job structure (detailed and clear instructions in what they are to do) most employees become confused.

When an employee wonders in his own mind why he doesn't know his job, he might decide that, "It's my fault. I didn't pay enough attention when he was explaining it."

Or more likely, he will blame his employer--"That so-and-so never says what he wants, and then jumps on me when I do it wrong." Either conclusion damages his morale and tends to lower morale throughout the store.

- Incompatibility

Some people are problems because of incompatibility between them and their employers. "I just can't get along with him," a salesman says about the store owner. And the owner says, "No matter how hard I try to understand him, he rubs me the wrong way."

What causes such friction between two persons--both of whom are conscientiously trying to cooperate? Some people call it "personality clash." Actually, it is more complicated than this label implies. The important point is: Be aware of such incompatibility and realize that there isn't much you can do to change it.

- Inadequate Supervision

Many employees become problems because of inadequate supervision. In some cases, they don't know what to do, and the boss doesn't seem to care when or how they do it. People begin to deteriorate when they aren't kept busy at constructive tasks. They lose interest, become indifferent, and sometimes resentful.

Closely related to this situation is inconsistent or capricious supervision. One day the boss is strict. The next day he's lax. Employees don't know what to expect. "Some days he treats me awful," one saleswoman says, "but on other days he lets us get by with murder."

- Emotionally Immature Employee

Other employees are problems because they are not emotionally mature. They never completely grew up, and sometimes they think and act like children.

To a certain extent everyone suffers with this condition. The difference between an emotionally immature person and one who is called normal is: The normal person has fewer emotional disturbances. And he is often able to control them.

- Physiological Deterioration or Poor Health

The human body changes constantly. Deterioration sets in early with some persons, later with others, but eventually with everyone. Sometimes it's sudden as when an apparently healthy person suffers a heart attack. Or it may be gradual as when an employee loses his hearing over several years.

Often, the most difficult problems created by such poor health conditions are the anxiety and psychological damages that often go with changing physical conditions.

For example, nature may repair an employee's damaged heart so that he's almost as good as new, but he may never overcome his anxiety. His constant fear of another attack may turn him into a problem employee.

## WHAT CAN YOU DO?

Even though handling problem employees is more complex than some management problems, there are things small marketers can do to help themselves and these employees. First of all you try not to hire problem people or ones who seem to be potential problems.

But how do you know? Three points are helpful here. They are: (1) Have clear-cut employment specifications, (2) Check former employment, and (3) Use tests to help you recognize and exclude potential problem employees at the time of hiring.

- Clear-Cut Specifications

To have clear-cut employment specifications you need two things. First, you need to know the details of the job. Second, you have to know what sort of person you need for that job.

Suppose you need a person for your women's shoe department. Make a list of the elements in this job so you'll know the number of different things the employee has to do. Is waiting on customers the only task involved?

Estimate as accurately as you can the amount of time each task takes in an average day. This is an important key to what kind of person to hire. For example, if the person is to spend 6 hours a day arranging and dusting stock and only 2 hours waiting on customers, you'll need a different type employee than if the job calls for 6 hours selling and 2 hours stock work.

After you know what the job consists of, both in tasks and time, you can determine the sort of person you need to hire. Make a list of the characteristics he or she has to have in order to do the job.

For instance, if you were looking for a man to drive a fuel oil truck, the first requirement, of course, would be the ability to drive a truck. Then, he'd need the proper operator's license, and so on.

With clear-cut employment specifications you can match a job applicant against certain job requirements. But how do you do it?

- Check Former Employment

This common practice in personnel selection can be helpful in matching an applicant against your job specifications. For instance, his former employers can tell you if the applicant has misrepresented his qualifications. "He was a stock clerk here--not the head stock man," one might tell you.

Get the most from this device by asking specific questions. In typing, for example, ask questions such as: How long did it take her to do a one-page letter? What kind of mistakes did she make? and so on. Answers to such specific questions can give you facts which you can use in judging whether the applicant matches your job specifications.

- Using Tests

Some small marketers shortchange themselves when deciding on whether applicants meet their specifications. These men base their judgments on what they learn from interviewing applicants and from checking their former employment. However, they fail to use a third tool--tests--which can give them still additional decision-making material.

Tests are scientific selection devices which, when properly used, can help you to learn a great deal about an applicant in a fairly short time. Using this information can often mean the difference between making a first-rate judgment or a border-line one.

What kind of tests and how many you use depends on the skills and personal characteristics you expect applicants to have. One good source for information about tests for your line of business is your trade association.

By testing job applicants, interviewing them, and by checking their former employment, you gain facts and insights (indications that sometimes cannot be proved) which should help you to judge whether an applicant has the qualifications you need.

Often such facts and insights can also help you to spot a potential problem employee. The important point is that you spot him while you still have the choice of not hiring him.

## HANDLING PRESENT PROBLEMS

Often businessmen are so pleased with the success they have in keeping out potential problem employees that they feel, "If only I could start over without the problem employees I hired years ago." Perhaps, it's just as well that they can't. After all, an employer has certain obligations to his people as well as to his firm.

How do you blend these two obligations when dealing with problem employees?

You do it by using procedures, such as:

(1) Appraising the employee, (2) Letting employee know where he stands, (3) Detecting problem employees early, (4) Maintaining proper discipline, and (5) Revamping employee's job.

### • Appraising the Employee

When you appraise an employee, you compare his performance with what the job requires of him. To get an accurate appraisal--one that is fair to both you and him--you have to have a clear-cut description of the job and a clear-cut description of the employee's performance.

Your appraisal should be based on sound techniques, and it should be periodic. Here again, your trade association may be a good source of information on appraisal systems for your type business.

### • Letting Employee Know Where He Stands

However, to correct the employee you have to go one step further and let him know where he stands.

Sometimes just knowing that he's headed for trouble helps an employee to improve. But don't count on it. Suggest specific things he or she can do.

For instance, if your appraisal shows an employee is coming in late several mornings a week, let him know that you'll be looking for this item on your next appraisal.

The other part of letting employees know where they stand concerns satisfactory employees. Be sure to praise them for good performance but also try to help them grow. Give them at least one specific thing to do to increase their competence further.

### • Detecting Problem Employees Early

Your appraisal helps you here, of course, but it may not always detect a problem employee in the early stages. Suppose that shortly after your appraisal discussion, the employee begins to do something that may turn him into a problem. You may not be fully aware of this trend until the next appraisal time--30 or 60 days later. By then the situation may be acute and hard to solve.

If you supervise your own people, you'll want to be alert for day-to-day changes that might indicate trouble--signs pointing toward a person's becoming a problem. However, if others do all, or most, of the supervising, then your task is more complicated.

Here you'll need to do at least three things. They are: (1) be sure your assistants understand how to deal with problem employees, (2) insist that they be alert to signs that indicate trouble, and (3) insist that they do what is necessary to help the employee correct his weaknesses.

Some people don't work out regardless of what you do to correct them. So when it's obvious that an employee is a misfit, discharge him as soon as possible. Passing him from supervisor to supervisor in the hope that he'll make the grade is unfair to both of you.

One firm did just this. Refusing to recognize that an employee was unsuited for the work, the owner-manager kept transferring her. When he finally fired her after 11 years service, she was bitter. "I wouldn't have minded so much if he'd let me go when I first started," she said. "I could have gotten another job then. As it is, I've wasted 11 of the best years of my life."

### • Maintaining Proper Discipline

Whether you or others supervise your people, chances are you have situations where proper discipline is the answer. What is proper discipline?

To a great extent the answer depends on your situation. However, remember that one of the paradoxes of management is this: Most employees are usually happier and more comfortable in a well-structured, regimented organization than one that operates with much disorder and permissive supervision.

Most people like order. They want freedom of action, of course, but within a framework. That is, they like to know what is expected of them. They want to respect their supervisor. And often, they feel better when he makes the decisions and takes blame for the wrong ones.

In many cases, such proper discipline helps to correct employees who are already problems. It also tends to prevent satisfactory employees from becoming problems.

### • Revamping Employee's Job

Sometimes the only way you can correct a problem employee is by revamping his job.

For example, he and your assistant manager are incompatible. Both are good men, but they can't get along together. Here you revamp the job so that the employee no longer works for the same boss.

Suppose you're the boss with only three or four employees. How do you revamp a person's job when you and he can't get along? Of course, it's not easy, but perhaps you can rearrange his job so that your contacts with him are infrequent. If you do, be sure that he understands why.

In other cases, you may need to revamp a satisfactory employee's job. For example, your best saleswoman suddenly has to get her grandchild off to school each morning. So she can't get to work on time.

Changing her job so she can start later in the morning and work longer in the afternoon helps her. Now she can handle her home responsibility without neglecting her work at the store.

## DON'T EXPECT PERFECTION

Some businessmen expect their employees to be perfect. They forget that no one demands perfection from them.

Employers of sales personnel, for example, often think that salesmen (and others on incentive type pay) should be exceptional workers. "It's money in their pockets when they really work," such employers say.

They forget that self interest takes a person only so far. And they often expect employees to: (1) be creative and imaginative about their jobs, (2) be capable of self-discipline and self-control on their jobs, (3) volunteer to put in extra effort, and (4) make personal sacrifices for the firm.

Such businessmen sometimes feel salespeople should be efficient machines. They are reluctant to tolerate mistakes their salespeople make.

Remember that people do make mistakes so don't expect them to be perfect. But try to compensate for human error by making your systems for doing things as perfect as you can.

You'll never achieve perfection here either. Nevertheless, it is a most desirable goal. It keeps you working toward a more efficient operation. And even more important, this goal should lead you toward more orderly procedures which make for a better integrated and a happier place to work.

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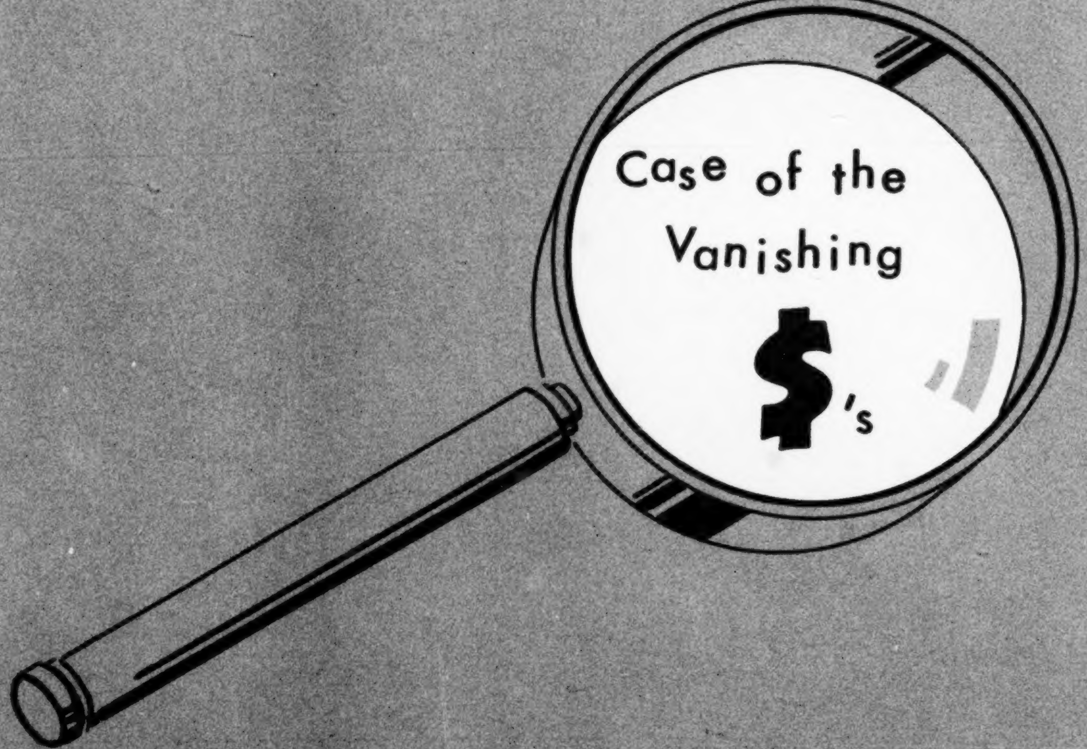
Case of the Vanishing $'s

# CASES IN POINT

## *Case Studies for Depth Penetration*

## Section

The case method has proven stimulative and effective in many administrative management courses. The following case material is suggested as a means of encouraging discussion.

It is suggested that one full session be devoted to the presentation of the topic as outlined in this manual. A case can sometimes be used to stimulate or augment the discussion period that follows the presentation. This could be one way of expanding the basic materials into an advanced course on the subject.

## THE CASE METHOD OF STUDY

The case method is a teaching device that helps the student learn through the processes of reasoning and decision making. Other popular teaching techniques stress learning or memorizing other people's knowledge on a given subject. The case method stresses his thinking abilities rather than his memory; it is dynamic, not passive.

What is a case? It is a description of an actual or true-to-life business situation. It is a statement of facts, opinions, and judgments--in short, a problem having no pat answer but lending itself to discussion and analysis.

The case method is particularly helpful in teaching businessmen because it uses real, practical problems rather than abstract situations. Properly used, it involves the participants in a way that will hold their interest and stimulate their thinking. It is particularly useful in developing in the individual (1) the ability to make decisions on administrative tasks (without incurring the penalties of a wrong decision on the job); and (2) the habit of thinking analytically and constructively.

The case method also highlights the value of group discussion and analysis. Each member of the group contributes from his unique experience, and each participant gains from the others. The group's knowledge and experience will exceed that of any one participant--including the instructor.

The following checklist can serve as a procedure for conducting case study and analysis:

### Suggestions for Case Study

1. Read the case carefully for general content.
2. Arrange the facts of the case in order of importance.
3. Recognize and define the major problem(s) needing solution.
4. Analyze the problems and their relative importance.
5. Search for and establish alternative solutions.
6. Select the most desirable of the appropriate solutions.

7. Analyze your probable solutions; set up the pros and cons, giving value to each.

8. State your choice, decision, or final conclusion--and be prepared to defend it.

9. Set forth the plan or plans you would follow to implement the decision.

## PLACEMENT, TRAINING, AND MOTIVATION[1]

In 1962, the Mid-State Hotel Equipment Company was established by two brothers, James and Robert Roe. Both were successful wholesale salesmen. James took charge of the office, while Robert retained control of the sales department. Principally because of the clientele that Robert had built up in this area, the company expanded rapidly and soon attained a prominent position in the local trade. By the middle of 1963, the company employed three men in the shipping room, four girls in the office, and three salesmen. A large part of the sales of the Mid-State Hotel Equipment Company were composed of complete installations of equipment. These installations required considerable skill and experience. Robert found that it was almost impossible for him to lay out and control all of the installations the company was making. He therefore decided that it would be necessary for him to hire and train an assistant. On July 1, 1963, he placed the following advertisement in a local newspaper: "Wanted - a young man interested in a future as a skilled sales engineer. Will train. No experience necessary. Give full particulars. Write c/o Box 210."

Of the men who answered the advertisement, a man named William Axe interested Robert. Axe seemed to have the qualifications Robert desired. He was twenty-five years old, married, and a veteran. Before serving in the Air Force, he had been a casualty insurance salesman. While in the Air Force, he served as a photographer. His letter was neat and well composed. Robert arranged for an interview.

Mr. Axe arrived at the appointed time. After a brief discussion of Mr. Axe's qualifications and the job, Robert started to describe the opportunities the position offered:

Robert: Laying out an installation is a skilled job, Mr. Axe. It requires hard work, experience, knowledge of the equipment, and, most important, a lot of ingenuity. Now, I think that you have the basic stuff. If you're interested in the field, I can give you the necessary training.

Mr. Axe: It sounds very interesting, Mr. Roe. I've always been able to learn quickly, and I think I'll be able to catch on without too much trouble.

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[1] Adapted from Michael J. Jucius, Personnel Management, 5th ed. (1963), Richard D. Irwin, Inc., Homewood, Ill.

Robert: Well, there's a real future here. There are so many people trying to do this work who don't know what's going on, that a good man who knows his stuff is really appreciated. Why, look at me! I have so many installations here that I can't handle them all myself. That's why I need a good young man to help me. This organization has grown rapidly, and it's going to keep right on growing. I've got to get someone in now--someone who can grow right with the company. After all, I'm not so young any more; and I can't keep up this pace. I'm going to have to take it a little easier in the future. Well, how does it sound, Mr. Axe?

Mr. Axe: It sounds very good to me, Mr. Roe. I think there's a lot to be learned, and I'm pretty sure I can handle it. I've always wanted the chance to start with a young company and grow with it. This sounds pretty good to me.

Robert: Well, then, I guess it's settled. Be here around 8:30 Monday morning, and you can start right in.

Mr. Axe: Thank you very much, Mr. Roe. I'll see you Monday.

On Monday, Axe reported for work. His first assignment was helping with sales on the display floor. As Robert told him, "The first thing you have to do is get some idea of what the equipment is like. If you aren't busy selling, I want you to spend your time reading and studying some catalogs."

For several days, Axe had a great deal of trouble, since he did not know the names, uses, or even the location of the merchandise on the display floor. However, gradually, he began to "find his way around."

On Saturday, Axe received his first pay check for $60. Immediately he went to see Mr. Roe.

Mr. Axe: Look, Mr. Roe, I know we didn't talk very much about salary, and that's a fault of my own; but I can't support my family on this! I can't work for $60 a week.

Mr. Roe: I'm very sorry, but I thought you understood that this is an on-the-job training setup. Now, your forms are all in at the VA; and within a month or two, you'll start getting a check from them.

Mr. Axe: Well, I didn't understand, and I don't see how I'm going to be able to manage until they come through.

Mr. Roe: Well, I'll tell you what we'll do. Suppose we have the company loan you, say $60 a month until the VA comes through. When their first check comes, you can pay us back. All right?

Mr. Axe: Well, that's O. K. I guess there isn't anything else better to do.

That afternoon, Robert spent two hours and more with Mr. Axe, explaining the various classes of merchandise sold by the company. Mr. Axe listened intently, and this talk seemed to rekindle his enthusiasm. For the next two weeks Axe continued to work in the display room and continued to have informal talks with Mr. Robert Roe on Saturdays. At the end of this time, Robert asked him to help temporarily with stock control. Axe worked at this job for approximately two weeks. Throughout this period, Axe's enthusiasm and interest seemed to be lagging. Nor was Robert very happy with his progress. As Robert said to his brother, "I don't know what's wrong with Bill. He just doesn't seem to use his common sense, and then he's wasting a lot of time talking to the office help. I'm going to start him working with me. Maybe he'll straighten out then."

Thereafter, Axe began to work with Robert. He sometimes accompanied him on calls to customers. He redrew layouts to Robert's specifications. At first, Axe seemed to enjoy his work very much. Shortly thereafter, the Saturday afternoon talks had to be dropped because a number of important installations were pending and Robert was kept very busy. About this time, too, Robert went to Chicago to attend a convention. He left Axe to "look after things." During the three days Robert was gone, Axe spent a good deal of time out of the office, supposedly at one of the company's installations. When Robert returned, Axe approached him and said, "Look Mr. Roe, I know that you aren't very happy with the way I've worked out on this job. Frankly, I'm not very happy either. Why don't we just call it quits?" Robert did not urge him to stay.

On the following Saturday, Mr. Axe quit.

## INSTRUCTOR'S NOTES ON THE CASE

Axe quit primarily because of Robert's poor supervision and erratic personnel practices. Robert made several vague promises about the future, which he should not have unless he had a definite plan of action for bringing them about. His handling of the salary situation was particularly unfortunate. And his casual treatment of training--disbalanced, off-again—on-again, no progression--could only lead to disillusionment on Axe's part. Lack of guidelines and any sort of planned program made Axe's chances for survival very slim.

## QUESTIONS AND PROBLEMS

1. How was the employment interview mishandled? How would you conduct such an interview?
2. What program should Robert have outlined for the effective training of Axe?
3. What are some of the ways that Robert failed as a supervisor?
4. Would you, if you were Robert, try to get Axe to change his mind about quitting? Remember your "investment" in him.
5. Could the outcome of this situation have been prevented? Give some of the methods you would have used?
6. What can be done to prevent a recurrence of the situation Robert and Axe found themselves facing?

# THE INCUBATOR

## *A How To Do It*

## Section

Experience has shown that people achieve maximum benefit from a conference, staff meeting, or training session when a period of incubation follows the implantation of the new idea, new information, or "new slant."

This is a do-it-yourself section that will allow the participants to try out or apply the ideas and information gained from this session.

This material may be reproduced locally for distribution to course participants.

## SUGGESTED INCUBATOR ASSIGNMENT

Personnel development is essential to the successful operation of a small business. Many times, business failures are rooted in a personnel situation that was not corrected in time. The following questions point up areas that an owner/manager should be particularly concerned with; and they also can serve as a test of your "personnel quotient." Do you know the answers?

### True or False

1. T F The owner/manager of a small business should look on personnel management as a major part of his job.

2. T F Reference letters are a reliable measure of a prospective employee's fitness for a job.

3. T F It is a fundamental truth that all employees seek increased responsibility.

4. T F Hospitalization insurance jointly paid for by employee and employer is not a fringe benefit.

5. T F A job description should define the maximum acceptable standards for employment and performance on a job.

6. T F If an employee can handle responsibility and authority, he should be given them in equal measure.

7. T F Even when an employee deserves disciplining, he is apt to accept it with some degree of ill feeling.

8. T F On-the-job training is the most common type used today.

9. T F A particularly useful test of a good application blank is: "Does it get all possible information from the applicant?"

10. T F Employee morale and effort are often affected more by relative wages than absolute wage rates.

11. T F It is easier to gain your employees' confidence than to lose it.

12. T F Every owner/manager has attitudes toward personnel management, whether or not he recognizes them.

13. T F An employee's feelings of worthwhileness usually do not relate closely to his feelings of accomplishment.

14. T F Training costs are always present whether or not a firm has a formal training program.

15. T F The last step in a disciplinary action is the application of the penalty.

16. T F For selection purposes, job requirements should be translated from physical terms to human characteristics.

17. T F A much-needed employee service can fail without employee support.

18. T F A job applicant will express himself more frankly if the interviewer expresses his own views and opinions first.

19. T F Earning power and rewards for outstanding performance are strong employee morale builders.

20. T F Hospital and surgical insurance plans have increasingly been financed by employer contributions.

21. T F It is safe to conclude that a grievance has been well handled if the facts, solution, and action taken have been intelligently decided upon.

22. T F In measuring the success of their employees, managers vary in their ideas about which factors are important.

23. T F It is probably best to explain to an employee the periodic merit rating you give him.

24. T F If employees are paid enough, they are not apt to be concerned with how their wage plan works.

25. T F A psychological test is perhaps the most accurate tool to use in evaluating a job applicant.

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Answers:

1 - T; 2 - F; 3 - F; 4 - F; 5 - F; 6 - T; 7 - T; 8 - T; 9 - F;
10 - T; 11 - F; 12 - T; 13 - F; 14 - T; 15 - F; 16 - T; 17 - T;
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The addresses and telephone numbers of these field offices are listed under United States Government in the respective city telephone directories.

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